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CRIES IN A CRISIS

FOR

Statesmanship Popular and Patriotic

TO TEST AND CONTEST

Free-Trade in our Manufactures

SHAMMED IN CONCESSIVE TREATIES, SHACKLED WITH REPRESSIVE
DUTIES, AND SHATTERED BY AGGRESSIVE BOUNTIES, THROUGH
WHICH DEVIATIONS FROM *LE LIBRE TRAVAIL ET LA LIBRE*
ÉCHANGE BRITISH AIDS ARE UNDULY PROMOTING FOREIGN
AIMS UPON OUR INDUSTRIES AND SHIPPING.

THE EMPIRE AND EMIGRATION.

PARLIAMENT AND ITS PROCEDURE.

WITH AN APPENDIX CONTAINING THE FRENCH TREATY, THE FRENCH
SHIPPING BOUNTY SCHEME, AND MANY ILLUSTRATIVE EXTRACTS.

COMPILED BY R. A. MACFIE OF DREGHORN, F.R.S.E.

HONORARY LIFE DIRECTOR OF THE LIVERPOOL CHAMBER OF COMMERCE,
MEMBER OF THE EDINBURGH CHAMBER OF COMMERCE,
AND OF THE MERCHANTS' HOUSE OF GLASGOW.

"Sate sanguine divum !

. . . facilis descensus ; . . .

Sed revocare gradum, superasque evadere ad auras,

Hoc opus, hic labor est : . . .

Accipe quae peragenda prius."

LONDON :

EDWARD STANFORD, 55 CHARING CROSS.

1881.

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A nation may gain where the *merchant* loses ; but, wherever the merchant gains, the nation gains equal and so much more as the maintenance and wages of the people employed and the duty on the goods amounts to.—From *Money and Trade*, by John Law, Esq. (of Lauriston) : Edinburgh, 1705.

Foreign trade may be a loss to a nation ; for, although the *merchant* be a gainer by his trade, the public may suffer by it ; but so much as the *manufacturer* earns by his business, so much is also gained to the nation.—From *The Interest of Scotland* : Edinburgh, 1733.

Foreign trade, by its imports, furnishes *materials* for new *manufactures* ; and, by its exports, it produces labour in particular commodities which could not be consumed at home. . . . The public is also a gainer, while a greater stock of labour is by this means stored up against any public exigency. . . . 'Tis true, the English feel some disadvantages in foreign trade by the high price of labour, . . . but as foreign trade is not the most material circumstance, 'tis not to be put in competition with the happiness of so many millions.—From *Political Discourses*, by David Hume, Esq. Edinburgh, 1752.

PREFACE.

THE Notes that follow, although they have for their basis the recent declarations of the Board of Trade as to Bounties allowed by the French Government on sugar, make greater reference to the Bounty Scheme by which our good neighbours are seeking to play the same game aggressively on British shipping, and still more to the negotiations which are in progress for a new Commercial Treaty with France. They exhibit reasons which induced the writer, twenty-one years ago, to oppose the Treaty that is now in force, and objections which experience and reflection have only confirmed and deepened. A Liberal throughout life, he cannot admit that the question of free-trade, scepticism regarding which he expresses freely and justifies by abundant extracts, may be regarded as a tenet and test of Liberalism. It was not formerly, it should not be now, both for the sake of the nation, and in order to prevent begun or threatened estrangement of the masses of the people. Having been a long while retired from business and active political life, and living in the country with plenty of work to do, he has not easy access to sources of information that would enable him to render his appeal more conclusive and forcible. There are no doubt rich stores of information, if not more sadly demonstrative and clamant, at any rate more recent, and in scope more comprehensive, than those from which, being mostly at hand, he has drawn. He wishes his self-imposed task were better discharged. It is undertaken because so few of the many

persons of weight who share his views show themselves able and ready to devote time to the vindication of deep convictions on the subjects he calls attention to. He thanks Mr. Frederick Brittain for a valuable work on *British Trade and Foreign Competition*, and other correspondents whose assistance he values, and part of whose letters he has turned to account.

The writer lately proposed to the President of the Financial Reform Association that a series of letters in the interest of truth should be written and published, wherein a committee of that body would vindicate the principles of free-trade as at present understood and applied, and a respondent should state difficulties or doubts in order to give an opportunity for these being removed, if this be possible, or their strength exhibited if the argumental force shall be found to lean in that direction. The friendly challenge was not accepted. Surely the question should at once be resolutely faced. There are many who would like to know the *pros* and *cons*. It never up to this time has been tackled and settled by facts and reasonings. A fond theory and fanatic engagements, whose inevitable effect is to favour foreigners more than the Queen's subjects, and to encourage and facilitate transference from the United Kingdom of industries that employ and maintain a teeming population, stand self-condemned. Patriots should strengthen the hands of the energetic Chancellor of the Exchequer and the experienced Foreign Secretary in endeavours to recover that freedom which has for twenty years been compromised.

Advantage is taken of the opportunity to circulate two papers read to the Association for Promoting Social Science. In them are suggested amendments of our INTRA-IMPERIAL RELATIONS and of the HOUSE OF LORDS—subjects of great and urgent importance. A number of extracts which, if

studied, will be found deserving of much attention, complete *nostri farrago libelli*.

The whole British nation desires to maintain and deepen the friendship which, for a thousand years, has existed between Scotland and France, and still more that which happily exists between the United States and the United Kingdom. We congratulate these neighbours and kinsfolk on their prosperity, attained under a commercial régime that differs from that which is commonly here regarded as hurtful.

As to the latter, one of the main reasons why we, the inhabitants of this the old country, ought to desire the recovery of commercial freedom is, that thereby we shall be in a better position to negotiate and establish equal enjoyment of the rights of citizenship and conjoint discharge of its duties throughout the empire, one of the best results of which grand achievement of patriotic statesmanship may be the formation and exercise of such an understanding and relationship between the two Anglo-Saxon peoples as will stimulate and enable them, by Divine favour, to perform towards mankind those beneficent services which the near future appears likely to call for from both, and which so natural an alliance and brotherly world-wide unity of aim and action will render easy and fruitful.

Recent indifferent success or popularity of British political activity in Europe and Asia points our best hopes and affections to the continents of America, Africa, and Australia, as spheres for aspirations and operations, nobler, more legitimate, and more promising, which cannot but strengthen our influence and impart new impulses. The spirit of thoughtful and fond subjects whispers to our gracious and admirable Queen through her constitu-

tional advisers,—“And who knoweth whether Thou art come to the kingdom FOR such a time as this?” The stones of the edifice are prepared; the workmen are ready. How gladly would we hear the throne declare—“Now the Lord my God hath given me rest on every side, so that there is neither adversary nor evil occurrent: and, behold, I purpose to build.”

The best of resolutions and plans may be formed too late. The hour for construction may be postponed too long. Within the city this and that voluntary watchman sees—this and that wakeful mourner hears—in the darkness and stillness a muffled movement whose meaning is unmistakable and ominous. But the population is partly sunk in deep sleep, partly absorbed in frivolity and ill-timed mirth. Who will arouse the citizens to consciousness? The keepers give no call; what alarms the few, they heed not. The leaders, WHY *their* inaction?

DREGHORN CASTLE, 12th January 1881.

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LETTER
TO
THE HON. A. EVELYN ASHLEY,
SECRETARY TO THE BOARD OF TRADE.

I HAVE the honour to acknowledge your letter of December 4th, along with which I am favoured with copy of a letter or manifesto addressed to officers of the Workmen's National Executive Committee for the Abolition of the Foreign Sugar Bounties. That Committee will no doubt give due consideration to the reasons which you adduce against "the proposal to impose specific duties in this country, in order to countervail the bounties given in certain foreign countries on sugar or other articles." This particular matter is no doubt difficult and troublesome to deal with, but it is also of very great importance, both in itself and in its accompaniments. But I cannot, any more than the Honourable Board does, limit my anxious thoughts thereto. Our whole commercial policy is involved or is illustrated in it. Therefore, a few words first on the sugar question.

If the Committee of Privy Council for Trade were composed of a greater number of persons cognisant of the various commercial interests of our country—it is a general subject of just regret that such is not the case—the sugar industry could hardly have been spoken of as "only small," or the fixed capital engaged in it as "only about £2,000,000," and the workmen employed in it as "4000 to 5000 only, of whom by far the largest proportion are unskilled labourers." Permit me respectfully to observe—

First, The number of tons of raw sugar melted in the kingdom, even now, when scarcely a lump or loaf is made, is, in the manifesto itself, estimated at 700,000, equal to 1000 cargoes of 700 tons each, or about as much as the whole annual tonnage of Liverpool at the end of the French war, as shown in M'Culloch's *Commercial Dictionary*, the value of which as freightage is very great indeed.

Defective
constitution
of the Board.

Extent of
sugar refin-
ing trade

compared
with textile
manufac-
tures.

The number of tons of *wool*, about a third of which is home-grown, that is manufactured in this country, is a little above 102,000 tons; that of *cotton* about 533,000 tons; *jute*, 182,000 tons; *hemp*, about 53,000 tons. I have no sufficient data with regard to *flax*. The *foreign* flax worked up appears to be not much more than a tenth of the sugar (all foreign) worked up. We may assume, on the basis of the figures just presented, that the sugar-refining trade, which the Board so remarkably disparages, amounts in weight to more than two-thirds, perhaps to three-fourths, of the entire textile manufactures of the kingdom, including that of ropes. If we exclude hemp and jute, it about equals the rest. It is about 700 times heavier than the whole manufacture of silk, which appears not to exceed much 1000 tons.

Why silk
manufacture
is esteemed.

Parenthetically, I ask here what is it that causes the nation to set such store on this, in point of material magnitude, very small silk trade? It is the circumstance that it employs many hands, hands directed by intelligent heads to workmanship within the realm of the tasteful. The great regard always shown towards this trade, therefore, and the emphasis put by the Board on skill as a qualification of the sort of labour which the kingdom should esteem, justify the suspicions that will further on be expressed, that in our treaty with the French we are in daily conflict with our own views, and are compromising our deeper and better convictions.

Different
kinds of
labour.

There are two kinds of labour and employment which make a manufacture important: the labour of manufacture in production, in what are called "works," and that of transport and handling, which is continually going on from the port of shipment abroad to the manufactory at home, in the manufactory, and thereafter from the manufactory to the house of the consumer, who may be either within the United Kingdom or out of it. In regard to the sugar trade, the great bulk and weight of that commodity causes it to be of immense service (compared with textile manufactures, which are generally of light weight) on the voyage to this country, and at every stage of its passage from the quay up to the place of ultimate consumption. It employs much more *shipping* than, and probably requires as much rent to be paid as, and much more coal to be used than, the fibrous commodities, and of course sets in motion more portorage, cartage, railway truckage, etc.

Taking all things into account, a doubt may fairly be entertained whether this latter kind of occupation for the people is not nationally more desirable than the indoor work which the fibre manufactures give. There is more of it done by men, and in the

open air, and consequently it demands, and it gives, more bodily and perhaps also mental vigour and exercise. In this respect it resembles agriculture, on behalf of which, though the inappreciative Board would no doubt call its labour "unskilled," too much can hardly be said.

Let us after this long digression return to the case of the sugar-refiners, and now—

Second, As to their CAPITAL, which is made so extraordinarily small by the Board. I suppose that in the town of Greenock alone, the cost of the works may have exceeded the amount you mention; and—

Third, If I am not mistaken, the number of MEN is altogether understated, nor is it fair to say they are "mostly unskilled." If they are, one cannot wonder that the trade has not been a thriving one.

The Board adds that the men who might be thrown out of employment would, without difficulty, find employment in other business. I would be sorry to infer from this statement that the Board think lightly of the advantage to the nation of employment contrived or found within the empire, or are blind to the lamentable fact that every year a vast number of our well-doing fellow-subjects, in order to find it, permanently alienise themselves on foreign soil, to their own regret and discomfort, and certainly to the great and deeply-to-be-regretted loss of the community and the State.

I have not taken any part in the sugar agitation, though confident that the parties engaged in sugar business—employers and employed—are doing their duty to the State by showing how they directly, and others indirectly, suffer from French bounties. Throughout the Board's circular it is admitted that the original, and as it used to be the principal, article of their manufacture, loaf and lump sugar, is now little made in this country. In other words, by the competition which the refiners have encountered, they have to that great extent been driven from their trade. There is little reason to doubt that the bounties are the cause of this great individual, and still greater national loss, as to which I have more to say further on. The bounty policy plainly has succeeded in its object. It has transferred to the Continent what our forefathers regarded as one of our leading *staple* manufactures.

It may be alleged, indeed, that the British refiners do not conduct their business with the same perfection as their rivals there. I am disposed to think this is partly true; if so, it shows that under or by means of protection, trades do thrive, notwithstanding

Refiners' fixed capital.

Number of men.

Value of employment.

Effect of foreign bounties.

Unequal competition retards useful improvement.

the bold assertion that protective measures necessarily fail of their end;—a rash or audacious statement which certainly, notwithstanding its acceptance by the Board, is not believed in protecting countries, and which I apprehend is contrary to patent facts, and irreconcilable with the universal experience that interests which are protected are unwilling to be deprived of what they find an advantage.

New foreign
competitors
necessarily
enjoy super-
ior advan-
tages.

Another advantage of foreigners may be alleged, viz., that the rival refineries abroad occupy better positions than the British. They are placed, it may be, where they can get water, inland carriage, supervision, and labour, better than establishments which have grown up in the heart of big towns, at a distance from canals, and where they, cramped as to space, require also to pay dear for their fuel, water, transport, premises, etc. The average British refiner has to compete not merely with Continental refiners whose are average skill and average advantages, their establishments being newer and better than his, but with those of them who are above the average. In fact, we are throwing off unsympathetically the refineries which have in the past done so much good to the nation.

Home indus-
tries deserve
more con-
siderate
treatment.

I am aware that there are extreme men who will think lightly of the case I now present. There are cold and rigid theorists who will say—"So much the worse for the poor Briton. Buy in the cheapest market, whatever the cost of individual suffering at home, whatever the abstraction of employment from the labour-market, whatever the dependence on foreigners it creates, however inconsistent with Britain's traditional policy, however little the pecuniary advantage of buying foreign goods, or even though on the whole there be no such advantage at all." Such men speak as if they were judges on the bench, called to dispense equal terms, and to be jealous against any benefit which may advantage one party against the other, to neither of whom is any favour or consideration due, and as if the welfare of foreigners, who manifestly have warm friends in their own countries, were as much to be sought, and the loss of profit and employment to British subjects as little a matter for concern, as they would be provided all the world were one society or nation.

Lesson from
common life.

We act not so in common life. In all business transactions there is a turn of the beam expected by the buyer, and conceded to him. Neighbours are everywhere preferred to strangers. Members of the family are universally favoured beyond persons who are not kith and kin. The principle of *giff-gaff* is deep-rooted. Think, too, of commissions, *douceurs*, etc., for business or custom, bought

or influenced. Do not these show that there is in business a *benefit* considered worth *paying* something for? Is not the same witness borne by the innumerable costly advertisements that tradesmen and wholesale houses issue? It may be alleged that these expenses lie chiefly within the domain of petty or fancy commerce. To whatever extent the allegation is true, it is applicable to, if we omit sugar, the greatest part of the articles which we draw from France. These are articles which leave a large margin for profit, and bear heavy expenses.

I have, it will be observed, advanced beyond considering the sugar trade. As to it and others, the great bugbear is confessed and put forward in the very forefront of the manifesto, thus :—"The imposition of a duty other than those of revenue would be an exception to the practice which has prevailed in this country since the policy of free trade was adopted." I am not sure that this statement is literally and to the full correct. On the contrary, I remember that in order to counterbalance certain disadvantages under which they are manufactured, British *spirits* have a counter-vailing duty to protect them. Besides, there is in the statute-book power deliberately reserved to discriminate with regard to *ships*. The utmost that can be said is, that what the Board alleges has been a matter of practice, but the nation has never compromised the principle that our tariff or duty system may or must be duly regardful of all interests, and the Government be left free to prevent or redress all wrongs. It is only now that much occasion can be said to have arisen for bringing practice into harmony with this principle.

The plea that precedents are wanting.

Spirits.

Appendix, p. 112.

The Board virtually acknowledges that it is by expediency our tariff should be adjusted, when it adds to the words just quoted :—"A policy on the *benefits* of which, especially to the working classes, it is unnecessary to dwell." Without "dwelling" the Board particularises as follows :—"During the last forty years there has been an unexampled advance in the prosperity of the country" (if read naturally, these words represent that the advance began long before free trade was in the ascendant). "Capital has accumulated [which it could hardly but do]; pauperism has diminished, wages have increased, the hours of labour, in most employments, have diminished, the cost of almost every article of food and necessity has been lessened, and the general welfare of the masses has been promoted." A comparison of prices would probably show that "almost every article of food" has *not* "been

The pleas of expediency and satisfaction.

Food monopoly bad.

lessened." Farmers rejoice that some of their produce has very much risen in price. No doubt wheat has been procurable on reasonably favourable terms, but for this we are indebted not to free trade in *manufactures*,—that is the kind of trade we are considering,—but free trade in *food*, which is a distinction the Board and statesmen ought never to forget; and yet generally they do so.

What might have been to the point would be an allegation, if it could be proved true, that the benefits alleged have arisen from free trade in manufactures, and this it would be very difficult to establish. The "policy" spoken of in the preceding paragraph was chiefly directed to removing of obstacles in the way of supplies of food and raw material.

Causes of
past pros-
perity.

All authoritative opinion ascribes the prosperity dilated on to other causes. I mention three without any attempt to vindicate their claim :—

First, The world, as a whole, has been growing in population and wealth, and luxury. It has been in a position to buy more old commodities and some new ones; it has bought more, and in doing so, has given more and more active employment.

Second, The gold discoveries gave a great stimulus to commerce and expenditure.

Third, The same may be said of the introduction of railways, and the establishment of new and quick modes of transport by sea.

Sir R. Peel's
mistaken
expectation.

The truth appears to be that there is a confusion of *post hoc* and *propter hoc*. There has been simultaneousness rather than cause and effect. The rapid and striking growth and expansion of trade within protective countries is enough to dissipate the flattering and delusive conceptions I have been adverting to. Sir Robert Peel's policy, it will be remembered, probably the policy also of the Anti-Corn-Law League, was to make this country a cheap one to live in, in the hope that it would be, in consequence of that, a cheap one to manufacture in, a country which would manufacture cheaper, and be able to supply foreign nations cheaper it had done.

The *Liverpool Mercury* of December 9 confirms this; it says, "untaxed food means cheaper labour." The effect was the very opposite.

Food and
wages.

The cheapness of food, occurring at a time when there was an increasing demand for labour, enabled artisans and others to subsist as they did before with less expense, and hereby to spend more on the same or new articles, and to acquire new tastes, and a new standard of living; all which raised the rate of wages, as the Board tersely tells us. Enlarged wants gave an increase of employment, and, through that increase of employment, higher wages and greater

prosperity. I cannot for my part see that in any considerable degree free trade in manufactures, which I repeat is what we have to consider, caused the welfare of the masses. On the contrary, is it not axiomatic that the more manufactures made abroad are used in the British market, the less is the demand for labour to make them at home,—that is—the less employment will there be, and the lower the rate of wages? The Appendix shows how wonderfully other countries have thriven whose policy has been the reverse of ours; for, indeed, no country but our own has “free-trade.” All are rather going further away from it.

Free-trade
in manufac-
tures.

But although all that prosperity were not only real, but could be proved to be caused by the policy to which it is attributed, I confidently, on the basis of experience and observation, declare that there is a dangerous confusion of thought, a delusive mixing up of what is temporary and transient with what is abiding and permanent.

Danger from
prosperity.

There is, I have long thought, nothing more likely to injuriously affect success in manufactures than exuberant prosperity. It does this in two ways:—

First, industrials become self-confident, conceited, and careless, and the reverse of excellent and economical in work.

Second, The magnitude of the margin is so great as to stimulate and enable foreigners, even in face of difficulties and disadvantages, to establish rival concerns, which the notorious profits too strongly tempt them to strive for a share of. It is to these influences in no small degree that we ought to attribute the establishment in foreign countries of businesses and premises intended and, as we see generally, able to oust ourselves. Once established, these rivals work on, and yearly with greater success.

Large
margins.

It is, however, only a commencement that we have yet seen. We cannot yet be said to be in many trades *suffering* from foreign competition.

The Appendix contains abundance of extracts that demonstrate how on all hands we are threatened.

Let us consider for a moment what has taken place in the past. Cobden and Bright, and the Anti-Corn-Law League, and their coadjutors, valiantly and victoriously strove against the great food monopoly which then was rampant. Landowners and farmers thought that abolition of monopoly should be “all round.” If these did not say as much, the leaders of the League thought that they fairly might do so. They confounded the circumstances under

Anti-Corn-
Law League.

Two depart-
ments of
free-trade.

which foods are produced with the circumstances under which articles of manufacture are produced. In particular, there is a limited area on which cereals and grass can be grown. There is no such limitation of area for the multiplication and enlargement of manufactories. Every restriction of supply of foods from abroad, therefore, did of necessity raise prices within the British islands, while keeping them low outside ; but restriction of the same kind with regard to manufactures had that effect in a very small degree, if any at all. The latter restriction was really a powerful and a sufficient stimulus to encourage and insure the erection of new or enlarged works within the kingdom, just as demand increased, and this too, without depressing prices outside, as restriction in foods did, and therefore without lessening that foreign demand on which we at that time could rely.

The question of free trade in manufactures has never yet been argued out.

Britain's
superior
position

There was all the difference in our position from that of foreign nations : we were established in business, we had the run of it, we had most of the then methods and channels of distribution and agency all working in our favour. Other nations had not these, but had to form them. For twenty or thirty years they have been doing so, and have now attained, along with proficiency and skill, such magnitude and such economy of operations in several trades that they are able to compete with us not merely at their own doors, but in the open field of the world, and even to outdo us within the United Kingdom.

This advance towards us, or stepping out beyond us, has been progressing at an accelerated pace, favoured by some helps ; to which brief reference may now be made.

The secret of success in modern manufactures lies largely in the scale or extent on which business is done. It has been ascertained and established by experience that largeness of scale conduces at once to superiority and to cheapness of production. Therefore, to have had the whole world, including that pre-eminently remunerative part, the United Kingdom and its colonies, within the area to be supplied is a very substantial advantage.

abdicated.

This gain the British people relinquished and confer voluntarily and unnecessarily on rivals. They left no advantage to themselves of any considerable amount beyond those of possession of the ground, but rather, on the whole, considerable disadvantage. They acted, if not proudly, very liberally in the matter. They were, indeed, so very desirous of bringing about

international free trade that they, and this by the agency of Mr. Cobden, chivalrously and almost quixotically, agreed to give an extraordinary practical proof of confidence in the free trade theory and its truth self-evidencing. They subjected themselves by treaty to terms which, but for the motive and circumstances, could only be regarded as ignominious; for in a matter of stipulation and obligation to accept the worst of a bargain is commonly held to imply secondariness in power or claims, or in cleverness.

Any one who will take the trouble to examine the discussions which took place when the renowned treaty with France was on the *tapis* will find that the propagandist spirit was dominant at the time. This same is avowed now by the President of the Board, who speaks of this country as the *apostle* of free-trade (rather the *martyr*). French treaty

I remember well the discussions in the Liverpool Chamber of Commerce. These may be taken as fairly representative of what the Government wished the nation to think and feel, and what the nation did actually think and feel. discussed in Liverpool Chamber of Commerce.

A resolution was moved in that important commercial body, which, though not very strongly, approved of the treaty and the sweeping away of import duties which it bound us to, but it finished with a strong expression of regret that in the treaty due regard had not been had to its influence on the shipping interest, which it seriously compromised. The mover (who, it may be mentioned, was not a merchant) laid great stress on the converting effect which the tasting of free-trade blood, administered in a very peculiar way, would exert. The following extracts prove this point:—

“British manufactures, hitherto very generally prohibited from entering France altogether, are now to be admitted on duties not exceeding 30 per cent. on their value.” [To any one acquainted, *e.g.*, with the sugar-trade, it is as amusing as it is sorrowful to behold, among the articles looked forward to as admissible under a 30 per cent. protection, loaf-sugar, where a margin of a tenth part of that would be quite sufficient protection.] . . . “We shall have broken through the first defences of the French protective system; and that done, when we shall carry the fortress is a mere question of time. . . . When the French people learn what it is that the barrier of 30 per cent. is keeping out, it will not be long before they will hanker for Free-Trade, nor much longer before they will be ardent Free-Traders. . . . Hence it is that I am disposed to regard this treaty, should it continue in operation only a few years, as the sure forerunner of the downfall of the protective system in France. . . . I do not hesitate to affirm that, in assenting to this Treaty, notwithstanding the defects France was expected soon to adopt free-trade.

apparent on a superficial examination of it, you will be lending the influence of the Chamber to the most direct and effective blow yet aimed at the Protective system, not in France only, but throughout the Continent of Europe. A great deal has already been said against the Treaty, and much of it with apparent justice. It is open to discussion, and it ought to be discussed with the utmost freedom." . . .

He moved :—

Original
motion.

"That this Chamber, regarding the pending Treaty of Commerce only in a commercial point of view, seeing in it an advance towards Free-Trade between the two countries, and not desiring to offer any opinion upon the political considerations which impede a more rapid advance in the same direction, approves of the measure generally ; but cannot withhold an expression of regret that, for the benefit of both countries, the shipping of both is not to be placed upon the same footing."

The seconder of the motion was Sir William, then Mr., Brown, a name honourably perpetuated in the "Brown Library" of Liverpool, and remembered as the representative of South Lancashire. He said he

Political
object.

"regretted that the ships of both nations were not to be placed on the same footing. . . . With respect to the duty of 30 per cent. on different articles, he believed that even the partial reductions thus effected would be of considerable value. . . . We should do all we could to encourage the French people to pursue the Free-Trade course ; the Treaty was not all they could wish—it was an instalment ; we should not refuse to receive it, however small that instalment may be. He hoped the town would press strongly their opinions as to the desirability of effecting an opening between France and this country—desirable, not only in a commercial, but in a *political*, point of view, *the latter one being equal, if not of greater importance than the former*. A war between France and this country would indeed be a great calamity to both nations ; and if any comparatively trifling *sacrifice* on our part could strengthen our amicable relations with our neighbours, and more thoroughly aid and secure the blessings of peace, it was desirable to make such a *sacrifice*."

Shipping in-
terests com-
promised.

A later speaker, Mr. Clint, said he thought that a very grave omission had been made in the treaty with respect to the shipping interest, and that a serious responsibility would rest upon the Government, if it had sanctioned such an omission. I took part in the discussion, and read the following extract from a Glasgow Liberal newspaper :—

A Glasgow
severe con-
demnation.

"Heartily approving of Free-Trade, as most of the economists of Great Britain now do, some, at least, will be inclined to question whether in this new treaty with France the country has made even a tolerable bargain. To call the measure a measure of free-trade is

merely an abuse of terms, and when we come to examine the precise items, we are unwillingly constrained to conclude that we have far the worst of the bargain. The precise nature of the measure seems to be this : We are to give to France those articles and commodities that will render France richer, we are to receive from France those articles and commodities that will render Britain poorer. This is a commercial treaty with a vengeance. Everything we give to France will make France stronger, both commercially and for warlike purposes ; everything France will give to us will be only articles of consumption for the classes who are better off than their neighbours. Such a treaty is only a delusion, as it stands. It is for the rich in both ways, and not for the masses. To call this free-trade is to make a joke of the term. Louis Napoleon has fairly outwitted Mr. Cobden, if this be Mr. Cobden's doing."

The plain truth.

A Liverpool correspondent reported—

"Those members of the Chamber connected with the shipping interests spoke warmly in disapprobation of those portions of the treaty which relate to the differential duties on French shipping, several declaring that they could not give even a general approval to a treaty which left the shipping grievance untouched."

Liverpool approval was but qualified.

"At the adjourned meeting the discussion resulted in a memorial which gave a modified general approval of both the budget and the treaty, while at the same time expressing dissent from many of the propositions contained in each, particularly disapproving of that provision of the treaty which did not arrange for a complete reciprocity for British shipping in French ports of those advantages so long since granted to French shipping in British ports."

There were two concurrent circumstances that influenced the Government. On the one hand Mr. Gladstone was disposed to make a sweeping clearance of customs' duties, and he was glad that at the same time there presented itself an opportunity of, as he thought, obtaining from the French some great advantage. No doubt he did obtain admission into France of some British goods. The error, for such at least not a few think it, was that what he conceded was too much in quantity and value, and that in several directions, as well as promised them for a dangerously long period. I for one doubt whether Mr. Cobden himself, if he were living to-day, would not be among the first to pronounce against another such treaty. The extracts just given show conclusively that it was with no inconsiderable amount of hesitation on account of very obvious points of unacceptability, that the treaty, when its terms became known, was confirmed. Its supporters confidently alleged that before the ten years would expire the French would have become converts to the principle of non-protection. Even this, as it has proved altogether fallacious, expectation might not have been

Mr. Gladstone.

Mr. Cobden.

Acknowledged
"sacrifice."
Cobden Club.

sufficient to reconcile the people and the Government to what was done or intended. There lay under the surface, but cropping out very distinctly here, there, and all about, an uneasy feeling with regard to the state of the political relations between the two countries, and a desire, as Sir William Brown put it, to "make a sacrifice" in order to ameliorate these relations.

So lately as the year 1870 the Cobden Club, under the motto of "Free-trade, peace, goodwill among nations," published *Speeches on Questions of Public Policy, by Richard Cobden, M.P., edited by John Bright and Jas. E. Thorold Rogers*. I turn to these volumes, hoping to find some speech regarding the French Treaty. The nearest approach to that is to be found in a speech delivered at Rochdale to his constituents, on June 26th, 1861, "after the French commercial treaty had been negotiated." From it the following are extracts:—

Mr. Cobden's
real aims extended be-
yond trade

“I have been endeavouring to make such arrangements as shall lead two great countries . . . to enter upon new relations. I have been seeking to form arrangements by which these two countries shall be united together in mutual bonds of *dependence* [a strange aim!] and, I hope, of future peace. . . . What I confess, as an Englishman, I have been led in this important duty most to consider is, how this matter has benefited you, not by what it will allow you to export, but by what it will *allow you to import*. [If this means to import in substitution for articles of the kind already being made within the United Kingdom, it involves a lessening of demand for labour at home. If it means increased use of French wines and spirits, I refer to what I say elsewhere on that subject.] . . . My aim and hope have been to promote such a change as shall lead to a better moral and *political* tone between the two nations. . . . Your worthy mayor has alluded to the immense preparations now making by the governments of these two countries for warlike operations. These preparations, as far as the navies of the two countries are concerned, are undoubtedly—nay, avowedly—with the view to mutual attack or defence from these two countries alone. . . . I ask you . . . is there no presumptive evidence calculated to make you pause before you believe . . . when you find that government engaged in this most difficult task, the subversion of their commercial system [a very slight subversion indeed,] by throwing open the markets of that country to the manufactures of England [open to not very much more than the extent to which a field can be said to be open when you can look over the wall as you pass along without gaining admittance] . . . before you believe . . . that it is the design of the French Emperor to come and invade your shores . . . ? Looking at him as an intelligent man, what must we say of his conduct in proposing at the same time to adopt a policy which would knit the two countries in the bonds of commercial *dependence*? I should have suspected some sinister design on the part of the French Government, and should have considered myself a traitor to my country, if I had allowed the government

were questionable.

of that country to have made use of me to mislead or hoodwink England by leading me to suppose that my instrumentality was being used for the promotion of commercial intercourse, when I had grounds to believe they were entering upon a policy of war."

War.

Allusion will be made further on to strength *for war purposes* which shipping bounties are *now* proposed in order to secure. May I here interject an expression of regret that the reciprocal dependence sought should not rather have been between the mother country and the colonies!

Some light on the quotations just given is thrown by a more recent publication of the club, *Cobden and Modern Political Opinion*, by Professor Rogers, M.P. I find on page 324 thereof:—

"He even thought Lord Palmerston to be as mischievous a man as Napoleon. . . . The formal development of such international relations as Cobden contemplated in the diplomatic negotiations which are identified with his later activity, is part of that high political education in mutual duties and mutual benefits, which must be in time to come the process of modern civilisation. The true student of political philosophy . . . is a stranger to that enthusiasm which some men call *loyalty*. . . . An economist may accept the title of a *missionary*. . . . They who know Cobden can confirm my statement, that in the ultimate victory of his principles, of which, indeed, he never doubted, the *smallest* consequence which he foresaw was the distribution of the benefits which nature accords through the machinery of free trade. . . . It is possible that the *avowal* of these purposes would have led to the charge that the work which Cobden undertook was visionary and Utopian. . . . For the majority of men it was expedient to show that the interests of trade would be furthered by a relaxation of those restrictions which had formerly prevailed, and that the form of a commercial treaty was a guarantee against the reversal of a policy which had been once adopted. [I don't like these words. Surely a Liberal Government of to-day will not act on such an intent!]. . . I am ready enough to admit that a commercial treaty is not the highest manifestation of economic intelligence; but it may be the best under the circumstances. Men must walk before they can run; they must be taught their alphabet, and con words of one syllable before they can read an ordinary sentence with fluency. . . . It is still a good, if we can induce them to travel a little way on the same road with ourselves; the education of nations is something. . . . What should we say of a man who declined to teach a child anything whatever, on the ground that he saw no prospect of carrying his pupil through all the arts and sciences. . . . Cobden's treaty was an arrangement by which a true reciprocity of free trade was made a question of time."

Professor Rogers' comments.

"Loyalty." "Missionary."

Objectionable object in view.

Apologies.

An interesting account of the Treaty, contained in the Memoirs of the Prince Consort, begins our Appendix.

The following extract is significant as showing how much France, a dozen of years after the treaty was negotiated, wished to have greater freedom than that treaty allows her :—

Thiers.

France re-
quired free-
dom of
commercial
policy.

“Upon all those points some remedy must be applied for a state of things which was becoming worse from day to day, and particularly with respect to the mercantile marine, which the foreign warehouses were causing to disappear. . . . We propose, while leaving to foreign trade all the freedom compatible with the public welfare, to insure to our manufacturers, to those who, during three-quarters of a century, have made the fortune of France [a much kindlier spirit this than the British Government ventures to express, or, I fear, feels], the protection of adequate tariffs, in order that they might not perish under the unlimited competition of foreigners,—sufficient stimulants to prevent them from falling into a state of indolent security, but not sufficient to reduce them to the position of abandoning production. . . . With this view, although we had a strong preference for the abrogation of the treaties by which we are bound, because we, above all, aim at the recovery of the *freedom of our commercial policy* [the United Kingdom has more to recover, the freedom of *finance*], we thought it would be more prudent to propose to England to agree with us to a simple modification of the existing treaties, a modification which we deemed indispensable under the empire. Thus, while allowing to continue all the tariffs affecting iron, *coal*, chemical products, glass, porcelain, woollens, salt and fresh fish, . . . we should prefer, we said to the English Government, the denunciation of the treaty, because, like you, we desire to recover *the liberty of our commercial relations*; but, in a spirit of friendship and cordial relations, we consent to remain bound by *stipulations which are very inconvenient for us*, upon condition that those which are so hurtful as to threaten the existence of our principal manufactures are relaxed.”

Twice, or oftener, in the course of the same speech, the great French minister used strongly the words “*recover our freedom*.”

A lesson
for us.

Here, then, is a lesson for us.

Manchester
Chamber of
Commerce.

An interesting report was made in 1872 to the Manchester Chamber of Commerce by Mr. Hugh Mason, then its President, and Mr. Slagg, Director (both gentlemen are members of the present Parliament). It said that they had waited on Mr. Kennedy, the Commissioner appointed by our Government to negotiate a new French Treaty, and the head of the commercial department of the Foreign Office, who informed them—

“that it was not within the scope of his functions to discuss with us questions of general policy or of principle. His duty was simply to listen to any objections we might have to make as to the method and degree in which the new compensatory duties were to be applied by the French authorities to cotton, yarns, and goods. . . . We succeeded

in convincing him that . . . the new duties far exceeded the amounts justified by the taxes on raw materials, and that an attempt was made at every stage of the tariff to tax the industry of this country, especially so in cases where it might possibly come into competition with that of France. . . . We obtained an interview with Earl Granville. . . . The Government seems to have considered that the anticipations of Mr. Cobden, that his treaty (apart from trade questions) would tend to draw closer the ties of mutual interest and good feeling between the two countries, had been so far realised as to render the abrupt termination of such relations undesirable. . . . The conditions of the new treaty may be generally summarised thus:—The tariff of the treaty of 1860 to remain in force, with the addition of compensatory duties equivalent to the taxes paid on raw materials by the French producers; England to be replaced in the position assured to her for her navigation by the law of the 19th April 1866, now repealed in France. Complete freedom regained by England in respect to her own duties on wine, coal, and all other imports and exports. . . . We regretted that it was then too late usefully to urge our unshaken belief that the principles of treaties of commerce, justified by Mr. Cobden in 1860, was inadmissible in 1862. . . . We derive but scanty consolation from the fact that while abetting the commercial slavery of France, England has taken pains to regain complete liberty for herself. We rely on the conviction that this chamber will support us in the view, that no temporary advantage, however apparently expedient, can justify departure from well-ascertained principles.”

Mason and Slagg's report.

Negotiations in 1872.

Treaty of commerce denounced.

The *Manchester Examiner* said—

“It is regarded as highly probable that the aspirations of the Manchester Chamber of Commerce will, after all, be fulfilled to the extent possibly of the defeat of the treaty under discussion, and, it may be, by the establishment of commercial relations with France on a broader or more satisfactory basis.”

A letter, honoured with conspicuous type, in the *Times* of 16th October 1872, concluded thus—

“To the denunciation England has only to make her bow and gracefully retire. Sure may we feel that if the individuals composing the four classes to which I have adverted could be polled and represented, so as to convey their own wishes to the Government, they would say, by a large preponderance of voices, ‘Leave us alone.’”

Disfavour in France.

A fortiori, much more should the united kingdom, whose freedom of action was so much more extensively compromised, desire for herself freedom. Lord Salisbury spoke plainly on this subject.

Lord Salisbury, in addressing the Manchester Chamber, October 20, 1879, said—

“I cannot help thinking the time will come when the farmers of America will prefer cheap cotton to dear, and cheap iron to dear. When that time comes none of those obstacles to which I have referred will prevent the United States from entering on a sound policy of

Lord Salisbury.

Helplessness
of British
negotiators.

Exploded
expecta-
tions.

fiscal and commercial legislation ; but with respect to other countries of the world we have no such immediate hope. Now, in the address which has been placed before me, we are recommended to try and foster the interests of commerce by the conclusion of treaties which shall remove the fiscal obstacles which are now arresting the flow of commerce. Undoubtedly it is our duty to do so, and undoubtedly we shall make the utmost efforts we can wherever we have the materials in our hands ; but we are in the position, the well-known position, of being asked to make bricks without straw. We have to open the doors to the access of trade when the keys have unfortunately been thrown away by the mistakes of our predecessors. I am not here speaking party politics, and by our predecessors I refer to a generation ago. Now the doctrine of free-trade, which has obtained such a complete victory in this country, has passed through two phases, and there have been two versions of it. There has been the theoretical version sanctioned by Sir Robert Peel, and the more practical version sanctioned by Mr. Gladstone. In the days of Sir Robert Peel it seems to have been generally believed that free-trade was so evidently true that no sooner should it have been proclaimed by this country than all other nations would hasten to adopt it. But the experience of some fifteen years has shown that that was entirely groundless ; but, under the influence of the belief, treaties of commerce were looked upon as a species of economical heresy, and vast numbers of duties were repealed which might have been repealed, conditional that reciprocal repeals were made in other countries. Of course, steps of that kind once taken can never be retraced ; but the result of the materials which are in our hands for the conclusion of treaties of commerce are very meagre."

I now give extracts from *Free-Trade and Protection*, by the Right Hon. Professor Fawcett, M.P., Postmaster-General :—

Inconveni-
ences ac-
knowledged

by Professor
Fawcett.

"Great as are the advantages which result from such a Treaty, they are accompanied by at least one important disadvantage. When certain fiscal arrangements are entered into between two countries which are to remain in operation during a fixed number of years, it is evident that throughout the continuance of this period, the freedom of each country to introduce changes in its tariff is somewhat [!] curtailed. Thus by the Anglo-French Treaty it was stipulated that only certain defined duties should be levied upon French wines imported into England. Some event might have occurred, such, for instance, as a prolonged and costly war, which might have made it necessary for England to have raised additional revenue by indirect taxation. If this had been the case, the Treaty stipulations into which she had entered would have virtually prevented her obtaining any portion of this additional revenue by increased taxation on alcoholic drinks. . . .

"Without expressing a positive opinion as to the justice of these complaints, belief in them is so general in Spain, that the Government of that country was induced last year so to frame its budget as to place English commerce at a special disadvantage. Such an occurrence

shows how important it is that a country which desires, in accordance with the principles of free-trade, to place the goods of all other countries on an equality in its own markets, should not, in order to facilitate the negotiations of a commercial Treaty with any particular country, admit its goods on exceptionally favourable terms."

Mr. Bright writes as follows to Mr. Abraham, the miners' representative in the Rhondda Valley, disconsolately enough :—

"We can only keep our own tariff as free as we can, and live in the hope that foreign nations will in time find it their interest to reduce their tariff. I fear one nation can do little for another in matters of this kind. The military system and exaction of European Governments demand high taxes to sustain them, and high taxation is most easily raised by customs duties, and by the customs duties protection is offered to and conferred upon manufacturers, who are therefore rendered more patient under high taxation. In America the high tariff comes from the great civil war. When this debt is greatly reduced, and their taxation becomes much less, they will make the tariff more moderate, and will by degrees approach free-trade."

Faint hope of something not very great.

Mr. Bright and the United States.

In the Appendix will be found incidental references *ad nauseum* to the discomforts and disabilities into which we in 1860 noosed our statesmen with our eyes open.

This may not be an improper place to advert to an apology too often heard in defence of the "even beam" treatment, which became inevitable when the great run of import duties was abolished : that the freight payable from France is itself a protection. The name is a misnomer,—call it a defence if you will, but to what does it amount ? To very little, and that little got but partially. If the supplying of Newcastle or Hull, for instance, is to be from either Havre or Nantes, the Frenchman can effect it cheaper, as the whole transport in his case is by sea. But what of the manufactures of Ireland, say of sugar from Dublin, or linen from Belfast ?

The "even beam" treatment.

I pause to say a few words in illustration of this point, which is radical in respect to the place of the principle of protection. Let us in imagination draw a line that will bisect Great Britain from north to south, and what appears is this, that for supplying bulky articles of manufacture to the east coast ports, including London, with a population greater than Scotland ! many ports and places on the Continent are considerably better situated than our own ports on the west coast, and the great majority of our inland towns and, be it observed, the whole of Ireland. Sugar refined in Liverpool and Greenock and Dublin cannot be delivered in London as cheaply as what is refined at Amsterdam or Antwerp,

Freight from abroad is not protection.

or Havre or Nantes. A like statement might be made as to the linens of Belfast. It is evident therefore that under what we call free-trade, beyond the most regrettable result it has of putting to a disadvantage establishments already in operation and our fellow-subjects who own them, there is less inducement offered to establish new manufactures, and (taking a different sort of employ) to rear poultry for eggs or the market, on the greater part of British soil than on no small area of the Continent ! The system, in virtue of the very equality which it affects, produces inequality between one portion and another of our own United Kingdom, and at the same time is a benefit conferred in an exceptional manner on foreigners, whom it favours by promising them a position on the first line.

Eggs.

Good of
the nation
should be
supreme.

The truth is that in this matter of national policy, individual and class interests have, reversing our good old ways, been by the present generation much more considered and promoted than those of the nation—of the people as a whole. These interests do not run parallel, nor are they identical. All we can say, as an exposition of true principle, is that the good of the whole is to be preferred to that of its component parts, and that, in consulting that end, the parts will for the most part receive the maximum of individual and class good. Sciolists of the day would back any stave of a cask in its individualism, whereas our grandfathers would have addressed it thus : No, as long as you were a stave in the woodman's pile, or on the quays of a foreign country, you were entitled to all the freedom, as you bore all the disadvantage, of isolation ; but you cannot both keep your place in our firmly bound cask, deriving strength and value from that, and your principal *raison d'être*, and, at same time, assert a claim such as you incompatibly and self-regardfully raise. We are apt to forget that in peace as in war there must be such solidarity as is meant in mutual support and a common endurance of burdens or privations. We must bear the constraint of being *hooped*.

Solidarity.

Combina-
tion.

A new practice has been sanctioned, if not formally inaugurated, wherein, on the one hand, the utmost conceivable liberty has been given individually to *combine* for their particular supposed interests, to the extent indeed of instituting powerful *imperia in imperio* ; and on the other, the involved and implied bonds or obligations or duties which we owe to the State, that is, to one another as a whole, have been weakened, and seldom even asserted boldly. It is the wisdom of rulers, and the strength of a nation, to make a righteous adjustment or compromise between these two tendencies.

To return from our digression: I ask, Is it not a decided ^{France.} superiority the Frenchman enjoys? And who is the Frenchman? A good neighbour, who is our rival, yet who pays not merely no duty to our custom-houses, but no income-tax in his own country, and contributes nothing whatever to British taxation, national or local. Of course too he does not benefit us in the indirect ways, which are still better, for he does not employ dwellers in Britain or Ireland as his workpeople, nor does he spend his earnings among us or invest them in new industries within the empire, while he supplants those persons who are doing all that.

These are circumstances which the Board's manifesto ignores. It harps upon the interest of *consumers*. The word occurs six times, that of *manufacturers* and *producers* and *workers* very seldom (I have quoted the only instance): that of the *Nation* or *State* not at all. Now who is this consumer who is justly so much made of? Not the foreigner, but every man, woman, and child who lives within the kingdom. Whence derive they the incomes and wages that enable them to buy in order to consume? With few exceptions, from labour or employment. Whence this employment? Chiefly from production, not abroad, but within the empire. To import goods, manufactured abroad, of sorts that can as well be made here, is, I repeat, to displace goods that are or would be manufactured by or among ourselves—to reduce the ability to *consume* and the number of *consumers*. In an extraordinary manner the *expenditure* of the people is magnified to the neglect of their *receipts* that enable them to expend.

The Board's patronage of "consumers."

Wage-earning more important than expenditure.

With philosophic coolness the Board writes of the men employed in sugar-houses:—"The largest proportion are *unskilled* labourers, and may *therefore*, without difficulty, find employment in other business." Skilled or unskilled, employment is not so easily got. Why (even though it were) force labourers to leave the work for which they have been *trained* and the localities where they feel at home or the country of their birth? Why deprive their neighbours of so many good "customers"? Our theorists pretend that, leaving things to the natural course men will betake themselves to the work that is best fitted for them, and where they will contribute most to social wealth (they do not add, live most comfortably). They hide the undeniable and sad fact that in order to obtain it, since work does not *come* to them, and is in truth by our policy sent away from our shores, they must go to the work,—to Roubaix, or Lille, or other places, where a foreign language is spoken and Protestant congregations, if they exist, do

Sugar-house labour.

Expatriation.

not conduct their services in their tongue. They, in large and increasing numbers, emigrate in preference across the Atlantic; most of them there become foreigners and no longer contributors to our taxes, or available as recruits and volunteers, nor to any large extent customers of our shops and contributors to this nation's wealth. Every able-bodied man we lose is a gift to another country of = £500, measuring by a pure money standard.

Why little
from France.

There is little emigration from France. We are told that it is because the Frenchman does not like to leave his native land. This is honourable to him, and an advantage to France. But is not there another cause? The French by means of protection keep and find, and we by our treaty enable them to find, for him increasing work to do at home.

Commend-
able earnest-
ness of
foreign Go-
vernments.

Marvellous is the contrast between the anxiety practically manifested in other countries not in any degree or way, however small, to diminish the people's employment. Most particularly is this the case on the other side of the Atlantic, where, if anywhere, handicraft employment need not be sighed for.

Threatened
loss of print-
ing trade.

A great, if not the principal, difficulty to be overcome in the negotiations between the United Kingdom and the United States with regard to copyright lies in the determination of the Government of the latter to back the demand of States' book-manufacturers that, even if copyright be conceded, free importation of *books* shall not be permitted but, on the contrary, the operations of printing and binding must be done there. Even now some of our books are printed on the Continent and in the United States. If the demands of the United States booksellers are conceded, I anticipate that we shall see a very large part of our publishing business, and the employments that it occasions, carried to the other side of the Atlantic, and not merely magazines (as is rapidly becoming the case), but the most important and popular *books*, so far as concerns commerce and manufacturing, brought thence; and so with many, many other things.

We have un-
dervalued
employment
for the
people.

The truth is, we have had for a number of years such an extent of manufacturing employment (with the help of a shortened number of hours of labour, and general prosperity), that we have not set upon it its due value—notwithstanding the unpleasant sight continually meeting our eyes of poor-houses like palaces, and, what is worse, of emigration, which latter relief has been more or less called for by our not having employment enough. We are apt to forget that in a thriving country population is continually on the increase by births, and it is continually attract-

ing population, and therefore additional employment is continually wanted. The United States have enormous unoccupied lands immediately contiguous to those that are occupied, to which, if there were deficiency of employment, surplus population would naturally betake itself: yet they foster industries sedulously. The United Kingdom is not so happily circumstanced; its colonies are remote; the lands there are not under the control of the central government, and yet we confessedly, but, I think, very mistakenly, make light of the advantage of being able by better statesmanship to retain and enlarge the amount of employment within the kingdom and empire. To us it is a matter of necessity, to the States a matter of policy, a piece of shrewdness for which they deserve credit; for, indisputably, the wealth and strength of a country, provided all can be employed in it as contributors thereto, is proportionate to its loyal and well-doing population, and never was there a time when this required more to be attended to.

Example of
the United
States.

There is a point of view which we are too apt to forget, that since tastes, talents, ages, and idiosyncrasies mental and bodily, differ, it is desirable to have in every district a variety of kinds of employment. Too little attention has in time past been paid to this circumstance.

Another error, and a great one, of our statesmanship has been to undervalue buyers or customers. In all trades and professions it is not the providers, but the persons to be provided for, that are sought out and courted, and valued. It is in strict conformity with what happens with regard to individuals that a *nation* of customers is invaluable to foreigners who supply it. Therefore Sir Alexander Galt struck directly and tellingly home when he appealed to the Associated Chambers of Commerce whether as to our national trade in the aggregate we have not forgotten the fundamental principle of all trade, that of selling to the greatest advantage, when we systematically give the world for absolutely nothing the most valuable article we have to dispose of—our custom, and this largely custom which we could keep at home.

Have under-
valued cus-
tomers.

Here let attention be directed to some figures connected with the trade between the United Kingdom and France. Our exports to that country have no doubt augmented since the Cobden treaty was negotiated, but the augmentation had begun, and was in rapid progress, a number of years earlier. I have endeavoured to classify these. I leave out cereals and cotton and other raw materials, and divide the remainder into four groups or classes:—1. Goods

Comparative
value of the
treaty to
France and
the United
Kingdom.

which do not require for their production much labour; 2. Those that require more—this group includes yarn; 3. Contains goods requiring still more labour; 4. Those requiring much.

Exports to
and imports
from France.

Of the total of the four (viz., £10,623,000), we export of the 1st class to the value of £1,300,000, but we import from France to the value of £7,313,000; of the 2d class we export £1,755,000, while we import to the value of £4,216,000; of the 3d class we export £5,518,000, and import (only) £2,662,000. Of the 4th class we exported £2,050,000, and imported the extraordinary value of £19,164,000.

The large third-class exportation is mostly made up of two items, viz., cottons and woollens, branches of business which are rapidly falling off, as the following figures show. Of cottons we exported in 1875 £1,887,000. In 1879 only £1,333,000. Of woollens we exported in 1875 £3,363,000, and last year only £2,972,000.

Altogether we exported much less than a third of what we imported, and it has been shown that of the highest class our imports were nearly ten times as great as our exports.

Most could
be produced
within the
United King-
dom.

Of this large aggregate a very small part indeed could not about as well be produced or manufactured within our own kingdom, if we exclude wine and spirits, which we import to the value of more than £4,500,000.

Another analysis which I have made shows that of the 38½ millions last year imported from France, if we deduct animals, corn, flax, fruit, hops, madder, potatoes, seeds, wool, and cotton, there remain altogether about 36 millions of commodities highly remunerative to the producing country. No doubt, of this large remainder more articles belong to a general class which it would be imprudent or out of the question to exclude. Make therefore a further deduction of 9½ millions for asphaltum, butter, eggs, hides, oils, poultry, silk, skins, vegetables, spirits, and wine, and the surprising result is beheld that about 26½ millions of the materials which we bring from France could quite as well be produced in the British Islands.

Trade to
France
diminishing.

Our exports to France are lessening. Their amount is not so very significant, that although France were to revert to an absolutely exclusive policy, our nation's loss would be a matter of vast consequence. We could still continue to import as much as we find convenient of her produce and manufactures. Why we should strongly desire them is not apparent, seeing that almost every pound's worth abstracts no inconsiderable amount of possible employment from our own people. If we took nothing at

all from France, we would be richer and not much less happy than we are. It is chiefly luxuries, or superfluities and elegancies, that we would deny ourselves.

Imports from France could be dispensed with.

If the French have found the British market so very good, we must, in the absence of a treaty, be treated even better than we are under treaty; for the French would continually be on the *qui vive* and the alert not to endanger the loss of customers so extremely valuable.

There is one item to which I call special attention, because it is one which in general estimation will be regarded as to Londoners a particularly acceptable importation, I mean eggs. In 1875 we imported thereof to the value of £2,078,000; in 1879 to the value of £1,391,000. I ask what advantage has France over the south of England and the south of Ireland in this article of commerce that we should depend upon her so largely for its supply? That boon to our neighbours, however, being for an article of food, I merely mention. It lies on the border-land of my distinction between production of food and production of manufactures, inasmuch as, like manufactures, the ground on which poultry can be reared is practically unlimited. The illustration goes far to prove the allegation that Britons and Irish of the present day do not take so well as the French do to matters of detail and nicety in the minor ways of eking out a livelihood.

British farmers.

The French, to do them credit, although self-regardful and in the past, as to sugar, evasive, are now acting straightforwardly, so far as I am able to judge. They evidently have objects in view, or (lest this should be regarded as an invidious representation of matters) they are carrying out a series of negotiations the effect of which will be the same as if they had these objects in view. Among their seeming objects are:—

Aims of French policy.

First, To introduce as much of their wines and spirits as they can. The societies which move with so much energy in behalf of temperance are wonderfully dumb when the reduction of the duties on foreign wine is in prospect. To whatever extent these foreign potables are introduced, they are either an addition to the consumption of articles of mere luxury belonging to a class the use of which statesmen ought not to favour, or else they are a displacement of home similar manufactures that presumably are not more hurtful.

Wines and spirits.

A *second* object is to help French small farmers and gardeners to supply our markets with eggs and vegetables, both of which, speaking generally, could be produced as well and as cheaply in the south of England and the south of Ireland.

Market for farm petty produce.

A *third* object is to erect a universal system of manufacturing industry, in the accomplishment of which they cannot but be competitors with ourselves, and indeed abstractors.

A *fourth* object is to rear a great industry in fisheries.

Include
transference
of British
shipping.

A *fifth* is to possess themselves of British lines of packet communication. These carry along with them a great deal of commerce. A letter recently published in the *Times* attributes the supremacy of British merchants on the west coast of South America to the lines of packets between Great Britain and these parts.

A *sixth* is to divide with us our general shipping business.

State service

A *seventh* is to provide by these three last means a nursery for seamen and a supply both of officers and men ready for her navy.

contem-
plated.

An *eighth* object is to have ready, and on all seas, built so as to be instantly available, a number of "Alabamas," and these commanded by officers who are acquainted with the British and all other coasts.

A *ninth* is to transfer the warehousing or entrepôt business, which for so long a time it has been the policy of British statesmen to create and maintain, from this country to France.

A *tenth* is to assure herself of a supply of coal in the most thoroughgoing manner, and

British
weakness.

An *eleventh* to weaken us—by our depriving ourselves (1) of the power to withhold our coal; (2) of the means of negotiating favourable treaties with other countries, and cultivating friendly relations with them; and of (3) some of the readiest and best means of raising revenue.

Intra-impe-
rial rela-
tions.

A *twelfth*, to tie our hands in a way most inconvenient, as to our intra-imperial relations, which may cause, in ways that cannot be formulated beforehand, great inconvenience, both to the mother country and the colonies. This may be made too manifest when the Empire Conference meets in February on the subject.

This work they set themselves to in a manner thoroughly business-like, and with a delicacy of handling, and a deliberation, which can hardly but command success, and which contrast painfully with the easy-going throwing away of advantages in which our statesmen indulge themselves. There is method and progression in their ways of accomplishing objects. If by experience they are not satisfied with the success reached, they do not boggle over and reject new plans because they are such. They have tried the bounty system, and found it so efficacious that they are applying it in all directions, as we shall see presently—to the forming a navy with a naval reserve—and to the fostering of shipbuilding;

Bounties.

—and there is no reason why they should stop at this particular manufacture; nor are they likely to do so. Let us remember, too, that the example is likely to be infectious. The United States, for instance, are talking about bounties; and Germany is astute and bold. She, too, has already got some of our people and business.

Transfer-
ence of
manufac-
tures.

Too much heed cannot be paid to the necessity of keeping our fiscal or duty system untrammelled if we are to negotiate, as, let us trust, we shall very soon, with the colonies for an improvement of the existing connection. The negotiators must on no account enter into their conferences with hands tied. The friends of so-called free trade will gain little and may lose much if treaty engagements with foreign nations hinder the most thorough discussion of the finance arrangements of the future empire.

Freedom
in finance
essential

In connection with this last subject of the revenue a few observations naturally occur.

Abundance of resources is of inestimable advantage in the government of a country. We may, and we cannot tell how soon, have a Chancellor of the Exchequer who finds himself compelled to impose more taxation for the requirements of war, an evil contingency to the danger of which a country with territories lying in all parts of the globe is continually exposed. But even in time of peace there are contingencies and opportunities which it might be most unfortunate if we found ourselves unable to cope with and take advantage of; there might be a retrograde movement in the public receipts; there might be at length a manly desire to adopt some system for paying off the national debt; there might be a good scheme for acquisition of the railways by the State; there might be a proved necessity for a large expenditure on fortifications and canals. (A word here in behalf of a national canal between the Forth and Clyde for war and commercial purposes.)

Freedom of
finance.

It may be said France will not succeed,—that a narrow policy defeats its ends,—that Britain's greatness has been advanced by free-trade—and that restrictions on trade ever will injure France. What are all these but fond imaginations? Although not perfectly *à propos* to the subject, let me quote at this stage some remarks of an English banker:—

Will not
France suc-
ceed?

“Foreigners may talk—as they have done for years—in terms of ecstasy concerning free-trade in the abstract, but it does not after all

Analogy
from pro-
posed dis-
armament
of nations.

Cosmopoli-
tanism.

Shipping
bounties
will be
effectual.

amount to anything. They won't open their ports, until it is made clear to them that England must have a fair *quid pro quo*. Why should they? Have they not even now all the advantages of a free market for their produce, without the unpleasantness of competition in their home markets, which they would, no doubt, feel under genuine free-trade. The free-trade question seems to me to stand on the same footing as that of universal peace. There are very few who would venture to deny that universal peace would be a highly desirable and beneficial thing; yet there are not many who are satisfied that the policy of unqualified moral suasion,—the disbandment of our armies and abolition of our navy,—would bring that blessing most surely upon the world. On the contrary, the vast majority of people think that, if we were to do away with our military and naval forces, we should be gobbled up by some unscrupulous neighbour. Exactly so with our trade—free-trade. We may call it that if we like, but the fact remains unchanged. . . . Import duties may be undesirable; but so are standing armies. We cannot in this world have the absolutely good and perfect; let us then try to approximate as closely as may be, choosing the lesser evils and shunning the greater. With our vast empire there is no country under the sun that could arrange a tariff with so little injury to itself as we could. England does not desire to isolate herself, but she must not allow her cosmopolitanism to override her independence and commercial and maritime supremacy. . . . At a debating society of which a friend of mine is a member, and where the working-man element is strongly represented, a debate was recently held on the pure and simple question of 'Free-Trade v. Protection,' and the victory rested with the latter party by a large majority of those present. . . . The working classes are becoming thoroughly in earnest and very savage over this matter, and as they have the votes, we may depend upon it that sooner or later they will have their way."

If the bounties which, it is alleged, are small, on lump sugar, have almost extinguished that trade among us, which is unquestionable and unquestioned, what reason is there to conclude that a like policy applied with a lavish liberality to shipping will not largely, and to our loss of trade, succeed also? The shipowners, not only as individuals, but in the most authoritative form in which they can speak collectively, and the Chambers of Commerce which have memorialised, declare distinctly that there will be a large measure of success, and this at our cost. I know that, in the quarters concerned, ships are spoken of as cosmopolitan, and that in this spirit, the transference of many is contemplated and provided for, or even purposed. This may or may not be unpatriotic. It cannot be stigmatised as disloyal, and far less as illegal, as long as the Government express no dislike of it, and make no attempt to interfere with it, and do not object to a practice already in activity, whereby ships which are owned by

Britons sail, as I know they do now, under a foreign flag, *e.g.*, the Spanish.

A strange change has come over our vision and our sentiments, if such transactions, winked at if not encouraged, are not seen and felt to be playing into the hands of foreigners who are already our rivals in the arts of peace, and may become, all the more in consequence of our helpful nonchalance as to shipping, our enemies by sea and land. The Board can hardly be in accord with other departments of the Government if it looks with unconcern on the transference to any other nationality of not merely many single ships, but of our established lines of packet steamers. Yet, as if it were quite unimportant and possibly harmless, it writes:—"Many countries have given, and apparently will give, subsidies to particular lines of their own steamers, and we have not, on that account, subjected them to additional taxation." Well, perhaps we ought to have acted differently; but our present stage is more one in which to raise the question, How shall we deal with such cases? than one in which we are called to decide definitely and pronounce in favour of discriminating duties or charges. Now for facts: A great transatlantic shipping firm writes me on the subject: from their communication I gather that *not* "many," but very few, countries indeed have given subsidies. I must suppose from the Board's letter that there is at least some one country that has done so; that is, has subsidised a line of packets between the United Kingdom and itself. But, presuming it is so, my thorough conviction is that the "subsidies" were payments for postal service performed to the Government, and such therefore as cannot with any fairness or reason be adduced and pleaded as an excuse for the Board's regarding with complacency or favouring a systematic, long-forward, guaranteed system of building up thoroughly the abstraction of our ships and shipbuilders, directly, a commercial, and indirectly, a State navy, by means of a scheme of *bounties* promised where no service of that or any other kind, except in war, is to be performed, and where the voyages are undetermined, many or most of the ships being in fact not employed as "liners," but as ordinary merchant ships, on all seas and in all trades, with a definite national purpose of (through State payments) sharing or engrossing advantages and power, on the High Seas and the British shores, that now are naturally ours?

There appears to me to be, in the paragraph from which I first quoted, a desire to denote if not satisfaction with, at least reconciliation to, projects which cannot be other than extensively

The Board's
analogies
fallacious.

What subsidies were
really for.

French
aggrandisement.

injurious to ourselves, inasmuch as they are calculated and designed to abstract from ships and traffic that are, and will be, conducted by our capital and in our bottoms. Will not foreigners receive this impression when they read the words that immediately precede?—"France, for the benefit of her paper-makers, imposed an export duty on *rags*, but we did not the less on that account admit French paper free." Why, at the time the existing treaty was negotiated, this conduct of France was felt to be a grievance and a hardship, introducing a kind of competition, to which it was unjust as well as injudicious to subject British paper-makers. No thanks to the Treaty that the happy and altogether unexpected discovery of "*Esparto*" as a raw material mitigated the blow and diverted attention from the wrong and scandal. The Board's own words are a partial confirmation of this view:—"There are *many* other cases [observe the strained adjective again] in which retaliation, if adopted in the case of sugar, might be demanded *with equal justice*. For instance, France" [here follow the words already quoted]. Notice, the Board allows that in the eyes of France, at any rate, the export duty on rags is a benefit to her paper-makers. There is, besides, an awkward *petitio principii*. Why is it that we do admit French paper free? Because the Treaty prevents us from imposing a duty. Why does the Treaty prevent us from imposing a duty? Because through *oversight* (for I dare not assume anything else), Cobden allowed the disparity to slip into the unfortunate national arrangement.

Though I cannot agree with the Board that there are *many* other gross cases, such as that of rags, I mention the two following glaring cases of self-regardfulness:—The French fish on the Scottish coasts, and can sell their takes in our markets, but our Scotch fishermen are charged a considerable duty on what *they* catch and send to France. She stipulates that we shall impose no export duty on our coal, but reserves her import duties thereon. One might have expected the "spoil" would be at least divided half and half. The whole warp and woof of the treaty is of the same one-sided character. Throughout we abjure our import duties; she retains hers. The object and effect is to put her manufactures into a better position than ours. The fact is, our word "*free-trade*" is inappropriate; we have (with such a glaring exception as the rag prohibition) freedom of manufacture, *Libre travail*, but not its complement, *Libre échange*. That is to say, the Frenchman has the right and power to sell his stuff free of duty in our markets. The Briton has not the corresponding right

Export duty
on rags,

Fish,

Coal.

Treaty one-
sided.

and power to sell his in the French, but must pay there a large protective duty. Of course this is inequality ; call it " free," it is not " fair " trade, it is not equal competition. And the difference is a practical one ; the advantage is a very appreciable one. Here are two respects :—*First*, whichever market in either of the kingdoms affords at any time the best profit, the Frenchman can supply it. The Briton is confined to his own. *Second*, the field of operations to the Frenchman is a population of seventy-five millions, of which forty are a preserve ; to the Briton, only thirty-five millions, less than half, all entirely open to world-wide competition. The natural consequence is a building up of rival industries, and, which is an actuality, the forming of establishments there by Britons, in order to the encouragement of which we very simply bind ourselves to continue to extend the strange treaty advantages, and to submit to the still more strange disadvantages for ten years, coal and all. To the United States there is a still more formidable process of gradual removal in progress. Paisley may be referred to for evidence. I think the same is going forward towards Germany.

Advantages
conceded to
the French.

The patent laws of France are constructed on the same shrewd provisions. A patent is not valid if not worked in France within two years. If therefore a newly patented article is one not requiring to be produced in quantities beyond the reach of an ordinary limited company, France insures to herself that the new manufacture for the supply of all markets shall be on her soil and not on British. This exhibits one of the ways in which our not understood patent system works against British interests. The United States do not stand in the same exposed position as we, they being shielded by Protectionism.

Patents.

A word as to income-tax, which is payable on premises and on profits. Some people may say a sixpenny income-tax to which our rivals abroad have nothing analogous is not sufficient of itself to turn the scale against our country. I am not sure of this, because, as there is no return of duty paid back when times are bad, practically the tax, which we have known as high as a shilling or more, is considerably higher than it seems. Anyway, it is inconsistent with the " even beam," and, as an addition to other disadvantages, it may exert a real adverse influence. Besides, would it not be strict *justice* and comely to impose on imported manufactures an equivalent ? Taking another point of view—is it not an obvious gain to the State to have trades carried on within it that both directly and indirectly augment its revenues ?

Income-tax.

These burdens—liability to restraints on the use of inven-
tions which are generally removable by paying royalties to
patentees, that is, by voluntary subjection to a *tax* payable
whether the payer's business is profitable or is not) and
income-tax—belong to a class which appears to have escaped
the notice of the statesmen who are chiefly responsible for the form
in which free-trade has been embodied in British law and practice.
As to the former burden—patents—no doubt Mr. Cobden and a
good many of the foremost politicians of his time were opposed to
them, and may have expected they would be abolished. I have
elsewhere stated my conviction that patents and free-trade are
incompatible. The only way of dealing with the difficulty, unless
patents and income-tax are to cease, is to impose a moderate import
duty on all manufactures, and on such products of industry as do
not belong to the inevitable-monopoly category to which goods
and timber belong. This protective duty would be at the same
time a sort of buffer or equalising margin, such as I have already
spoken of as being *selon règle* and usual in all ordinary dealings
between man and man, and especially necessary for the "turn
of the beam" (which, in fact, the British Customs grant in
all its weighings for duty) something corresponding to it would
be, to say the least, sensible in favour of our own country, and
particularly of existing establishments in it which built up our
trade and thereby founded our commercial prosperity, and opened
the way for a liberal system of finance, which it would be hard
that they should suffer from, seeing that their somewhat unfavour-
able relative situation arises from no fault of their own, but from
inheriting premises which are locally beneficial. (Let the competi-
tion to be let down upon these be from within the kingdom, for on
no account may we discriminate within the kingdom, whatever we
may out of good feeling do as to foreigners.) This matter is not
one to be worked out on the cold hard figures and lines of Cocker
and Euclid. There must be a certain small amount of the fair
and sympathetic in regard to the people of our own land. Blood is
thicker than water.

The turn of
the beam
should be
given
Britons.

The two foregoing burdens are aggravated by another set of restraints and burdens, likewise creations of British law, from which foreign industries are free—those connected with immature age and with hours of labour.

It has for centuries been known that wages are higher in

England than France, and the difference was recognised as a ^{justification} justification of some protective element in the import duties charged on manufactures—not unreasonably, because, if the nation wishes that its own people should be employed, yet not at wages squared (according to the Board's unacceptable idea) by lowering these so as to permit equal or closer competition, the only possible arithmetical adjustment that remains is by imposing a protective duty on imports, or else by giving a bounty at home. The former is at once simpler and more suitable. This view, however—the propriety of taking into consideration the rate of wages and the physical requirements, along with the moral and intellectual standard, expected of our people—will appear strange to not a few, who will readily assent to another and less extensive application of the principle involved. These might allege that the “propriety” just spoken of amounts to artificial regulation of wages, and to a State interference which is not legitimate; yet they would admit that in so far as by State regulation of ages and hours there has been interference, the result of which is in effect to impose a burden and make manufacturing more expensive, the plea for some sort of compensation is tenable. These just-minded persons may nevertheless ask if the impost is not too slight to be deserving of regard, or to be capable of being dealt with? I am afraid, and let me add, convinced, that in the modern system of manufacture—that of large extent of operations with a narrow margin—the difference, extending as it does to a lessened daily output, involves a greater cost of production in many industries, chiefly those in which the use of machinery has at the same time removed the advantage of old enjoyed as a compensation, viz., the English labourer's greater muscular power. For rectification of this injury the moderate protective duty already proposed is adequate and available.

I have used the word *moderate*, because it is not such a protection as France and the United States or Germany affect that is in my mind. I say nothing in behalf of theirs; but I hope enough has been said with regard to such a one as I plead for, to show that the reasons or prejudices on account of which the nation rushed in haste from a highly protective tariff to the other extreme of a total and almost universal abolition of import duties, do not here apply. One, though only a minor, objection to high duties commonly heard, that they tempt to illicit trading, is also inapplicable, as well as the allegation that home prices would be made appreciably dearer, or dearer to a degree that interferes with consumption or use. How, and how far, such duties might divert or embarrass the trade—after all not an important one, or one very

Small amount
of wages
above import
duties.

Small import
duty
defensible.

desirable to foster—of the persons who export hence articles of foreign manufacture, let others judge. The warehousing system mostly meets the case.

1845
1846

A judicial or statesmanly mind, unperverted by prepossessions, will naturally go further and ask politicians whether true, honest discharge of their duty to act equitably, does not, in conjunction with their duty to promote the national interests, tend in the following direction—to make all the rest of the taxation or burdens they impose bear no heavier on the Queen's subjects than on foreigners. Yes, if there be any difference or leaning, however small, that it shall be in favour of the former, not, as at present, of the latter. At present it is all the wrong or impolitic way; the master manufacturer bears, besides income-tax, taxes direct and indirect without number, charged against himself, and, through the medium of the wages he pays, a considerable amount charged upon the persons he employs; at any rate, the manufactory does. How can he or it be compensated for this weight which is not borne by his and its rivals abroad, who contribute nothing to the British Exchequer nor to local imposts, except by being exempted from a slight burden, substantially a countervailing duty, levied at the ports of entry? That duty, of course, would help them nothing in the open markets of the world, but it would be worth something to them. If any inquirer suggests that the foreign rival pays what is equivalent in his own country, the answer is twofold; *first*, that is doubtful, at any rate is not universal; *secondly*, admitting it, the thing does not meet the case. He pays nothing to *our* revenues; the others do. Besides, the manufactory abroad is not maintaining men who will be ready to volunteer in peace, trained and ready for the Queen's service in war, nor families who will be customers and welfare-boosters on all hands and every day to that portion of the population among whom they dwell. Ask any tradesman or manufacturer to render him most service,—the master and men who are his neighbours, or the foreigners that send over their goods and articles? The answer will be unequivocal; he will do nothing for the latter do nothing on his behalf.

Many persons who have been drilled into
 custom and natural feelings, who yet are
 incapable of requiring, as an element of
 self-interest, the characteristic of being
 addressed an appeal for
 the region of their duties.

As between buyer and seller there is no difference in the prices and their business between export and import. The absence of export duties is the same. The same is true of an advantage, if in a particular case it is not a matter of whatever goods the British manufacturer is allowed to export there, while his rival pays a duty on the same goods admitted free. The two Governments are not to be distinguished by differential duty. The British Government is not to be distinguished in which such a duty is established. The duty is a party to the neck of the manufacturers to whom it is to be paid. No doubt the differential duty is a matter of fact. It will be paid less and less, but because the differential trade is not free—there is a duty to all in France whereas the French are free to all in Britain. The very same thing is true with regard to the burden of the differential duty. The burden of paying for the differential duty is the very same as paying for the differential duty. It is a differential duty in every instance where the British manufacturer has the burden to bear. The differential duty is a matter of fact. There is no difference in the differential duty for the use of an invention will be the same in all cases. Inventions are patented in the United Kingdom, in France, in Holland and Switzerland and some other countries. Inventions are ever granted there. The law is the same in all cases in which exemption from the burden of the differential duty is granted. I think, however, that there is no refusal to allow the benefit of the differential duty. This is permitted under the terms of the law which our Government has framed to suit one side only. I think, however, that a few of our fellow-citizens think differently.

In practice, if not also in feeling, the present interest has become decidedly cosmopolitan and non-national. This is much to be regretted, because it is a dangerous business. There is danger that a similar frame of mind and way of looking at things may, through bad copyright practice, infect and deteriorate our literature. With so many foreign merchants among us, and so many foreign names among our tradesmen, we need not wonder if, insidiously, the same spirit is eating into the vitals of our commercial system. It has become manifest, and is avowed by what used of all others in old times to be most patriotic,—the shipping interest.

In running races it is common enough to require certain our

Illustration
from a race.

How to
maintain
friendly
relations.

petitors to carry additional weight. Who, notwithstanding, ever heard of the owner of a stud systematically burdening his horses so as to hinder them on the field or road? Yet this is substantially what the British statesmen do when they subject their industries to the restraints and burdens of French treaties, and to Patent laws such as the present ones! The plea in defence of the treaty is—Unless we submit to the French terms we shall not be allowed to sell on Gallican soil. Were the worst to be threatened, what simpler than to tell our good neighbours that we on our side extend far greater advantages to France, and that it is our purpose to consider whether, following their example, we shall not withdraw from her the full enjoyment of our soil, that has been enriching her and rather impoverishing than enriching our own country, but adding, in all sincerity and the utmost force, that we are so earnestly desirous to continue on the best and most friendly of footings that we cannot longer submit our population to the galling yoke of an irritating and injurious inequality? Away with the conceit, so fatal and so fatalistic, that we have become apostles of free-trade, and must be ready to perish as a testimony to our confidence that our dogmas are true and that of all the rest of mankind false! What connection has that dogma with a treaty which is not, though fondly hugged as, a free-trade arrangement?

French manner
of dealing
with
duties better
than ours.

The French proceed in the matter of Customs Duties in a much more discriminating and considerate manner than we do. By imposing "general" or maximum duties they are able to offer favours in return for favours to be asked. Their statesmen, consequently, in all treaty negotiations, occupy a much more favourable ground than our statesmen can.

Currants.

Our system of wholesale clearing away of duties, without leaving any root in the soil, has another bad accompaniment. It chains finance, inasmuch as it prevents us from easily resuming them, and from raising their rates; besides, on many articles revenue is hereby relinquished, such as would be of immense advantage at all times in our country. It was a grand stroke, for instance, to abandon the duty on currants, yet most probably the duty which we threw away did not much lower the price to the British consumer, but rather raised the emoluments of the Mediterranean producer. I make this statement without examining the figures (which are not within my reach), but with perfect confidence that remissions of the kind are likely to have such an effect. How much better not to have made the remission, and to gain the advantage of sixpenny telegrams or the abolition

of receipt stamps: Of course, when the French maximum duties are reduced by treaty, they are not abolished but left high enough to cover the incidental burdens to which I have just been alluding, and I may boldly say, a great many other contingencies including the main object, protection.

The British Government cannot too strenuously apprehend the peculiarity of the bounty movement of France. It is the intention, on a vast, perhaps it might be called an overwhelming, scale, of a system of payments with the obvious intention on the part of the bounty-giving country to secure for herself at the expense of the bounty-receiving country, as large a share as she could possibly abstract of the latter's commerce and ships. It is the nation not so much protecting trades and individual traders as becoming herself an embodied commercial corporation for political aggrandisement, with aggravating circumstances.

I have little doubt that the French policy will be successful, and whether successful or not, that it will be attempted, unless some proceedings which either are to be taken by us, or, as they think, might be taken by us, deter our neighbours. Some cosmopolitan may ask: Do you mean that we should take steps to prevent France from doing what she has a perfect right to do? My answer is: Though I doubt whether the intended action of France is consistent with international comity, No, but we may discourage her; and there is no better way to do this than by recovering our liberty of action which through treaty bonds at present we impair and surrender. Still more would I abstain from entering into another treaty framed on any lines at all approaching those of the present one. I would not even promise by treaty the "most favoured nation terms" for a period longer than twelve months. Most blinding and silencing is the connection with the 1860 treaty of two such trusted names as Mr. Cobden and Mr. Gladstone.

The anticipations, indulgence in which induced the nation to enter into the present treaty with France, have been disappointed, and there is widespread consciousness that our position is not satisfactory; if, indeed, it be not humiliating, as well as unworthy. This feeling is by no means confined to Conservatives. It is shared in, and often boldly declared, by Liberals. Consistent free-traders publicly avow that only exceptional circumstances justify treaties of commerce, whatever their conditions.

Let me here present some extracts from the edition of M'Culloch's *Commercial Dictionary*, issued in 1859, the year immediately preceding that of the treaty :—

M'Culloch's
condemna-
tion of com-
mercial
treaties.

"A great deal of stress has usually been laid upon the advantages supposed to be derived from the privileges sometimes conceded in commercial treaties; but we believe that those who inquire into the subject will find that such concessions have, in every case, been not only injurious to the party making them, but also to the party in whose favour they have been made. . . . All really beneficial commercial transactions are bottomed on a fair principle of reciprocity. . . . The justness of these principles, we are glad to observe, is now beginning to be very generally admitted. Stipulations as to duties and custom-house regulations are disappearing from commercial treaties; and it is to be hoped that, at no distant period, every trace of them may have vanished."

Their rela-
tion to free-
trade.

Surely the conditions contained in the existing treaty were not such as to justify the departure from a sound principle, still less to warrant continuance in the abnormal course. If it be proved that to maintain free-trade is an advantage, declinature to enter into treaty obligations will only the better enable us to cherish it. But I certainly do entertain depressing doubts as to the wisdom of such free-trade as is now in the ascendant. I fear it is undermining our commercial superiority, and introducing, besides, among ourselves, tastes and usages that are as ruinous to our commercial prosperity as the Trojan horse was to Ilium of old.

A Commis-
sion sug-
gested.

My conviction is that public opinion has very much changed with regard to Free-trade, and still more with regard to the French treaty, and that, it being an acknowledged duty of the Government to act in accord, not only with the interest but with the wishes of the people, a Commission of intelligent merchants, manufacturers, and economists, should be appointed for the purpose of making inquiries both in London and in the manufacturing and mining districts, and particularly at the sea-ports, as to what are really the present opinions of the persons most qualified to advise, and the grounds on which these rest, and that no treaty should be negotiated until a report is made and considered.

A small re-
gistration
duty.

It appears to me likewise to be expedient to levy on all commodities that are not raw materials nor main articles of food, that is, where it can be done without the probability of injury to commerce, a small duty, sufficient to turn the beam in favour of the mother-country and the colonies. May I respectfully suggest that the right honourable Board should not pronounce emphatically against any course of fiscal legislation which may clash with reasonable

or even something as yet may make their extraordinary desires of our fellow-subjects in other parts of the empire.

There are passages in the French manifesto in which a few observations may be made. It says—“The application of the principle extended in its commercial purposes by duties ^{of course} would carry us one step further to the effect of reciprocity, and lead us to the imposition of *reciprocity duties*.”

1. The mode of meeting the difficulties of the case which the foregoing pages favour, and a few general import duty is not liable to the above objection.

2. This low duty is not likely to be the objection raised against *production*.

3. The French by their system of *reciprocity* “general” duties on manufactures *escape* whenever *reciprocity* and *reciprocity* there may be in *reciprocity*. Their system enables them to attain the same end by *reciprocity* *reciprocity*.

4. As to *reciprocity*, so far as it means good-will and disposition to return benefit for benefit it is right. But a great country like ours cannot expect to get except perhaps from the United States, an equivalent or equal return for what it gives.

The next sentence is one applicable *reciprocity* *reciprocity* to *shipping*—“The bounties on sugar, so far as they exist at all, are direct and obvious *bribes* by a foreign GOVERNMENT.” The word italicised is emphatic. They are not concealed gifts, like ordinary bribes, however.

Bounties are
bribes, and
are within
compass.

In an earlier paragraph it tells us—“It is sometimes said that the *attack* made upon the sugar interests by means of bounties is only the beginning and prelude to attacks upon more important industries, and that one by one the trades of the country will be attacked and ruined. Such a fear is entirely [?] chimerical; any Government which should pursue such a course would soon find itself bankrupt. . . .”

1. Not chimerical, and, in spite of the great cost, France is actually doing the thing that may make her “bankrupt” [!] on a grand scale (lessening yearly, however) as to *shipping*. But,

2. The cost is *not* so tremendous as it may seem, for few industries are so huge as sugar, and the expenditure would only be incurred where needful. If by treaty we open our markets effectually, and she succeeds *without* bounties, why, of course, those are not required and not paid.

3. The end in view she *is* attaining. The language of the manifesto is therefore too confident.

Relation of
this question
to party
politics.

I close with two observations.

First: There cannot legitimately and safely be party spirit within the range of commercial policy. It must never intrude on that neutral region. Happily both parties of the State are about equally committed to free-trade, and equally free to hold it in abeyance. The consequences, however, of doggedly refusing to inquire into facts will be far more serious to the Liberal party than to the Conservative. It is likely very soon to estrange from it its main strength, artisans.

Something
the great of
the land
might do.

Second: The nobles of this country, and the leaders of fashion, exhibit too little desire to benefit their fellow-subjects by consuming and using articles made within the realm. Fashion ought to be in accord with patriotism, and patriotism plainly points to preference of home stuffs. The Queen and the Royal Family have only, I am sure, to see that they would really be benefiting the people, of whom they are the *decus et tutamen*, when they prefer home manufactures to foreign. A people which all over the world have so much leading and influence, would be acting loyally and sensibly, and in a manner worthy of themselves, if they give their fellow-subjects, and not strangers, the widely diffused and potent influence of their example in respect of fashions and tastes.

I submit these notes with much respect, hoping that they will be useful. They come from one who has long considered the subject from a practical standpoint, and embody some views which he has not seen elsewhere presented. The able President will, I trust, pardon the roughness and angularity of the road metal which he is invited to travel over, or even to recognise as serviceably laid on the highway of national and industrial progress.

I have the honour to be,

SIR,

Your faithful Servant,

R. A. MACFIE.

MR. CHAMBERLAIN'S SPEECH AT BIRMINGHAM

IN THE HOUSE OF COMMONS, JANUARY 1891.

With Amendments on 8 and 10 Feb. 1891.

"It had always been the policy of the Government to introduce, to prefer the interests of the many to those of the few."

A sound principle: the question is that it is not always true, and that the means which are taken for the protection of individuals, is suffering in consequence.

Our salaries are "low" but they are increasing. The number of persons affected is not small. About 25,000 are employed as in that great northern industry the one-time fishing-fisheries of Scotland.

"It was a very distressing thing that any manufacturer should lose his profits, or any workman his employment: but if they were to consider in every case only individual interests, their free-trade must go altogether to the wall."

No doubt, yet nobody speaks of only individual interests.

The sugar case is exceptional as it is suffering from the action of a friendly government, which gives in this case only benefits ^{sugar case} ^{exceptional} calculated, if not also intended, to deprive our country of a well-established staple trade.

"He could point out many cases infinitely harder than that of the sugar-refiners. Let him take the case of the Coventry manufacturers. The large silk industry had been almost destroyed by the effect of free-trade in opening our market to French silk, when other foreign markets were closed to our productions."

Surely this is enough to make statesmen reconsider their course, especially as its expediency was never argued out. What was argued out was the food monopoly.

"Coventry had been especially unfortunate. The English market ^{Coventry} was open for foreign watches, whereas a Coventry manufacturer could not get an English watch into America without paying a prohibitive duty."

In the preceding pages this has been shown to be a hardship, or the action of our Government a sort of connivance at wrong, whereby this nation suffers the loss of an industry that employs her people. (Does Coventry stand alone?)

"If the argument of the sugar-refiners was that their case is wholly

exceptional, he must say that that had been the case with all protectionists ever since the world began. He could not see the difference between the case of those connected with sugar and those engaged in other trades."

Nonchalance.

The right honourable gentleman must mean that he would not acknowledge that the difference is conclusive, for he does not deny that sugar is exceptional in being stimulated by bounties, though that it will be exceptional *long* we cannot anticipate, when, on the one hand, we behold such *nonchalance* in high quarters in submitting to such an *attack*, and, on the other hand, have become so continually aware of further movements of the same kind in France, and not France only, for stimulating shipping and ship-building by bounties. An ordinary bounty is a national aggression on British interests, a State scheme to wile away our *chefs d'industrie*, and much more.

But now, as to shipping bounties. The reader will do well to turn to Parliamentary Return C. 2666—"Correspondence relative to the French Mercantile Marine Bill." He will find there the following words of Consul Bernal of Havre, transmitted by Lord Lyons:—

Consular report on proposed shipping bounties.

"Living, as I do, at a port where we do such a large over-sea trade, I cannot help seeing of what serious importance to our shipping interest is the proposed system. I consider it to be almost worse than a '*surtaxe de pavillon*.' That would only affect trade to and from French ports; but while the system of bounties does so to some extent also, it has a yet wider effect, for under it, wherever a French vessel may be doing over-sea voyages, it will be in receipt of a bounty. For instance, French ships often remain eighteen months and more in the East, making voyages between different ports in those seas, and they will be earning a bounty for every thousand miles thereon; and should they at the end of the time bring a cargo to a British port, they will be able to carry it at a less rate than our own ships. In short, the law is one of pure protection."

Their offensive character.

These words read strong, but perhaps they ought to be understood in a sense a hundredfold stronger than they read. I have just pointed out to the reader that the law is characterised much too mildly when it is called "one of pure protection." There is the widest of differences. Protection aims at guarding commerce within the protected country. This unprecedented proposition aims at aggression outside on all seas in semblance, against all countries that own ships, but, really and in intended result, mainly on our own country, and this at a time when we are, as if we were treated in the best possible manner, consenting to negotiate a

commercial treaty. Lord Salisbury's answer to Lord Lyons is consistent with the treaty signed at St. Petersburg in 1875 —

"It is a fair matter of representation that such a policy may be ^{trary to the spirit and intention of our commercial treaties and will} produce the very effect which those Governments with whom no import duties are intended to prevent."

Yes, but they will produce effects far wider and far worse. The rest of his Lordship's answer taken in connection with this is a tacit condemnation as I think and few reasoning persons can avoid thinking so, of our weakness and should logically perhaps soon will be followed by withdrawal from negotiations unless an entirely new and independent footing.

"He remembered his own experience in business and might state that the firm with which he was then connected had in contact with French and German manufacturers in France and Belgium. The workmen worked twelve hours a day, and six days a week. Then came the Factory Act, which he had always held to be a most beneficent measure, under the operation of which his firm were unable to employ their workmen for more than fifty-four hours a week, as against the seventy-two hours a week of the French and Belgian workmen. By the same reasoning as that now employed they might have asked the Government for a countervailing duty to repay them for their inability to keep their works going as long as the French and Belgian manufacturing."

In the Appendix will be found a sickening amount of confirmation of the representation here given on the highest authority. I might put the case thus:—A manufacturer abroad, who employs men for seventy-two hours, inasmuch as he will get the same amount of labour per hour as Mr. Chamberlain's late firm, receives an excess of value of £1800 on every £5400 spent in wages (even if the rate of wage per day is no lower). To this enormous pecuniary advantage must be added the greater amount of work, and, therefore, of margins for profit, which the ability of using his premises and machinery so much longer carries with it. If I assume that the manufactory pays in wages £54,000, the gain, in like manner stated without a supplement, is no less than £18,000. I might go on and assume £540,000, and show that the disadvantage to a large concern carried on among ourselves, is the appalling sum of £180,000. Will any sane person believe Parliament contemplated such an inequality—such a crushing disparity—when it amended our laws? Mr. Chamberlain was, therefore, quite warranted in suggesting that there might be some countervailing appliance wanted, but he does not present

Short hours in Britain greatly in favour of our foreign rivals.

See page 61

the case as I would when he says it is "to repay *them*," the manufacturers, for the real object is deeper, larger, and more important, viz., to prevent foreigners from abstracting our industries, our invaluable property or potentiality. Cosmopolitan members of the Government appear not to apprehend matters as they are.

As to the *benevolence* justly credited to British philanthropy by the eminent sufferer by it, an unsophisticated economist would argue thus:—There is here an *admitted* bad effect of British benevolent legislation. We have sought the good of the unprotected employed, but we do not think it fair to attain this at the expense of the employers, and none the less when we learn on this unquestionable authority how serious the effect is, and when we realise the far greater loss, the *nation* will have yearly more and more to reproach itself for inflicting on itself. The situation is one easily rectified by imposing a slight duty on importation.

Philanthropy
in law-making.

"Then there was a still more important industry, that of agriculture; during the past few years great numbers of farmers had been ruined, and land was falling out of cultivation everywhere. If they considered the interests of classes, the agriculturists should be the first to claim their attention."

The farmers'
sufferings

I apprehend that the cause of the farmers' sufferings lies in the too high amount of rent which they have been paying, sometimes accompanied with deficiency of skill and capital. Land, being limited in quantity within the kingdom, is a sort of monopoly. Nevertheless, if State burdens anyway fall unduly upon it and its cultivators, relief may be fairly claimed, for the nation wishes justice to all classes, proprietors included.

arise from
too high
rents, not
bad laws.

"The farmers would doubtless say, 'We have to compete with corn from Canada and the United States, in both of which countries the Government grant large subsidies to promote growth of corn. We claim that there be such a duty as in our opinion would countervail.'"

It is not consistent with fact that any Government does give subsidies to farmers. What is alleged by the Board, surely very fantastically, is that free gifts of land and grants for the formation of canals have the same *effect* as bounties. I do not admit that they have, but at any rate they are not of the same nature. Whatever effect they have tends to *reduce rent*.

"Thus we might go on and break down every portion of free-trade."

A very queer way indeed of putting matters.

"With which, in his opinion, the prosperity of the country was identified, and, above all, the welfare of the working-classes," etc.

All this I have sufficiently answered in the preceding part of this *brochure*. I only wish I could have executed my work better.

"In the matter of sugar bounties, he thought the action of foreign Governments foolish in the extreme." Who are foolish?

No doubt foreign Governments will allege that they should be allowed to judge for themselves without being condemned in this absolute wisdom fashion. Which side is foolish?

"In order to foster a particular trade, they took out of the pockets of their own tax-payers large sums of money."

A shrewd man of business, well posted up in the sugar bounties question, told me some time ago that in his opinion the French are acting wisely, for, as a nation, they gain by them more than they lose. sugar bounties are worth their cost to France.

In connection with this subject of bounties, the concluding part of the following speech by the Chairman of the Edinburgh Chamber of Commerce, who has admirable business opportunities for knowing what he is speaking about, is highly significant:—

"The Chamber would recollect that there was a special meeting to consider the question, and a memorial was adopted and sent to Her Majesty's Government. No further action had been taken by the Chamber; but in the interval a very influential deputation of ship-owners had an interview with Lord Granville. His Lordship suggested that it was desirable the proceedings should not be public, his reason apparently being that he was desirous that as little as possible should be done to intensify the feeling which the French might be supposed to have in favour of a measure whose object was to increase the French shipping interest. His Lordship, however, spoke very strongly in this sense, that he and the Government considered it a very improper measure; and, indeed, he used some very strong language which was hardly diplomatic; but he deprecated anything being done to show panic or alarm in this country, because, evidently, if we convinced the French people that we regarded their measure as one calculated to give them the traffic of the world, and correspondingly to depress our interest, it was clear they would only be encouraged to go further in the same direction. There had been really nothing new, so far as he (Mr. Currie¹) was aware, since then. The Government were quite well aware of the importance of the subject; they saw it to be a very serious thing, one menacing to a very serious extent—a much more serious extent than the question of the sugar bounties—the position of this country, because not merely did it involve the much larger amount of capital and the much larger number of people employed in the particular branch of industry, but it also involved the question of national security. (Hear, hear.) The Government were perfectly well aware of that, and he did not think it was possible for the Chamber to do

Shipowners interview at Foreign Office.

¹ Brother of the honourable Member for Perthshire.

Shipping
bounties
popular in
France.

more than it had done. He was quite sure that if the Government could do anything to avert what would practically be a great mischief, they would do it. The objectionable measure was popular with the French; and it was of no avail to characterise their conduct as foolish unless we went further and characterised as foolish the conduct of any nation which chose to keep up a standing army or navy. We had not exactly come to the point at which we could at all events persuade the French people of that."

Before concluding the right honourable gentleman said—

England
an apostle !

"He did not think it worth while for the sugar manufacturers to prove the Government inconsistent, because the logical result would be that the Government would cease to do anything to forward their views. . . . They maintained that it was good for all the world that free-trade principles should universally prevail, and England was the great *apostle* of free-trade. We preached it in season and out of season, in reference to every question, and therefore, even in this case. . . . The Government held it to be their duty to advocate the doctrines of free-trade, and they . . . asked those Governments to furnish them with any information on the subject that they were willing to give as to the extent and the nature of the bounties, and as to their effect upon the foreign trade."

French ex-
cuse for
shipping
bounties.

On this, extracted from an Edinburgh paper's report, just three short remarks :—(1.) For *apostle* read *martyr*; (2.) Again, the propagandist mission, on which I have already animadverted; (3.) What can be expected from Governments? The French coolly, with regard to the shipping bounties, tells the world they are "to compensate for charges imposed on the mercantile navy for recruiting and the military navy." They "keep back 20 per cent. of the bounty so as to increase the retiring pensions of registered seamen." Here note, "the bounty is increased by 15 per cent. for steamers built in France according to plans approved of by the Marine Department," and "in case of war, merchant ships [and I suppose crews] can be requisitioned by the State."

Sugar
planters.

Before making the speech on which I have taken the liberty to make these comments, the right honourable gentleman introduced the connection of the West India planters with the sugar-bounty business. It is unnecessary here to call attention to what he said then. All good subjects of the Queen must object to invidious distinctions being drawn between those of them whose happy lot it is to live in Great Britain, and the others who, with no less loyalty and under greater hardships, toil on for the wealth and welfare of the nation in outland parts.

*On Adapting the Policy of the United Kingdom to the Interests
and the Condition of the Colonies, and the Influence
of the Emigration of the People of the United Kingdom
connected with the Policy of the United Kingdom
National Trade and the Policy of the United Kingdom
Industrial Emigration in the Colonies, and the
at the French Trade and Emigration Congress, 1882.*

Limitation of time necessitates compression. The following paper is intended to be perusal. It must be more or less disconnected, for in small space it has to deal with at least three great questions of the day—1st. The progress of **TRADE**; 2nd. The direction of **EMIGRATION**; and 3rd. The independence of the **EMPIRE**.

As to **TRADE** it has happily, for a long period gone on enlarging its volume. It would require to be said there will not be found within the British Islands sufficient employment for our constantly increasing population. The prosperity which has swollen our sails is itself a cause of danger. If this favouring gale has not made operations unduly expensive, and manufacturers, masters and men, careless and too confident, both which natural consequences, I fear, are working harm, it has certainly enabled foreigners, as well as stimulated them, to erect establishments within their own countries, which are steadily becoming more successful competitors, in some cases ousting us not only from foreign and neutral markets, but even the home and colonial ones. We have—I do not say in the spirit of bravado, but with great simple-mindedness—opened our ports to all comers. But the lead—which sanguine politicians hoped it would prove—taken by the United Kingdom has not been followed by any other people, not even by our fellow-subjects of the Colonies. After the third of a century has elapsed since the inauguration of our free-trade policy, we find to our disappointment that, so far from our making converts of them, these all are moving in an opposite direction. Look at the ungracious colonial tariffs, which show how little the mother country's example is appreciated. Look especially at France, to propitiate or initiate which neighbour that noble cosmopolitan Mr. Cobden, more or less reluctantly, held in abeyance the previously dominant maxim of

Denies
that
peace

British free
trade policy
repudiated
over the
world

France
nurses her
industries.

Her negotia-
tors are keen.

Protection
not hurtful
to French
manufac-
turers.

the school whom he represented so ably, to avoid entering into treaties of commerce, as being inconsistent with commercial freedom, and calculated to embarrass national political action. Our estimable neighbour has, after twenty years of patience and coddling or coaxing on our part, adhered strenuously to protectionism. When she speaks of free-trade, she means trade somewhat liberalised no doubt, but liberalised astutely with a reserve of protective duties sufficient to give or rather to retain—in my opinion wisely—a *turn* in favour of her own manufactures. Frenchmen appear to know that, in modern times, when operations are more and more being conducted on the principle of a large business with comparatively small margin on each individual transaction, a very small degree of customs protection is sufficient to turn the scale,—not that I can call the turn they aim at a small one by any means. If the United Kingdom is ready to enter into a treaty in which it too magnanimously submits to unequal terms, that is, to having the worst of the bargain, could we wonder that the shrewd statesmen of France cheerfully accepted the proffered terms, and closed with our extremely facile overtures? But indeed they do not. They hesitate, if they do not higggle, in order to secure something better towards their side. Already France enjoys, independently of treaties, free admission into the British market. That is not enough. We must engage for ten years of this liberality, provided we get in return an opening (not very considerable, nor likely to be very long-lived) into markets of which she is to resolutely retain practical monopoly. Anybody acquainted with trade knows how highly must be estimated the advantage which a manufacturer has who can choose either the French or the British market, whichever at a given time happens to be the dearer. Wherever there is the profit—cream to be skimmed,—he gets it. Under the treaty, Frenchmen may supply either their own market or foreign markets or ours. Britons must be content with only their own, or some foreign market where they may be able to find customers. Economists issue disquisitions to prove that this is against the interest of the French people; I do not think, with much success. They dare not allege that the French *manufacturers* suffer by it. Surely we have had enough of this insular conceit, of humiliating treaty bonds. I call all treaties such that are one-sided in their favours. Our Gallican friends will no doubt obtain a renewal; yet how absurd is it for Great Britain to address France, as she is in fact doing persistently, thus—"You have doubted whether we will carry out our policy of free-trade in face of so many ominous disappointments. You may have been hesitating

to erect *fabriques* for the supply of our markets with articles which we ourselves make or can make and have plenty of appliances and population to enable us to make in abundance. You fear that we would not be ready to let our manufacturers be supplanted in their natural markets. We appreciate your feelings; they are to us no matter of surprise. But you do us too great justice. You are welcome rivals. We will *promise* to keep our markets open, and besides, to give you a supply of coal, duty free, for ten years, which we hope will be a long enough period to induce your industrial chiefs to form larger establishments, and, indeed, to induce our own chiefs to erect *fabriques* and at least carry on a part of their business—meantime, only a part—on French soil.” *Ex uno, disce omnes.* What is the character and tendency of all our treaties and procedure? The practical application of these remarks, so far as our negotiations and immediate action are concerned, is that we should enter into no treaty which cannot at any moment, on a twelvemonth’s denouncing notice, be brought to an end. Further, I suggest that henceforth all questions affecting trade should be dealt with as in no ways belonging to the range of party politics; that a committee, it may be composed of one person only on each side of the question, might be appointed by this association to argue, in written papers prepared alternately, the first in favour of free-trade (so-called) in manufactures, to be answered by the other, the sceptical side, and so on until the subject is fairly presented in completeness and continuity, such as will let the public form, on reasons and facts, sound conclusions. Strange to say, this question has never been fully and exhaustively argued. As to the supply of *food*, the nation yielded to the clearest demonstration that protective duties of necessity raise home prices. It could not be otherwise, for there was but a limited area to cultivate within the British Isles; and a far-sighted colonial, or rather Imperial, land policy had not been formulated. I wish we could say we are much better in that respect even yet. The case as to *manufactures* was and is altogether different. We had the lead. Our markets were the cheapest in the world. We had unlimited sites to build factories upon, unlimited mechanical power, and an ample population to work them by, with other important advantages, such as domestic quietude, open harbours, established lines of shipping. Whether this suggestion of a discussion be adopted or not, we must somehow contemplate and *realise* what our position is. Other nations are competing with us. Foreign markets are becoming closed to us. Increase of trade commensurate with the increase of our population is improbable, at any rate it cannot

British undue complaisance.

Discussion proposed as to free-trade.

Protection of manufactures never argued.

be relied on. Whatever be thought about treaties and prospects of commerce, let us regard the great interest of the empire, and surely, in any case, it has become necessary, or, to use the shrewd statesman's adjective, expedient, to provide either employment at home, and this we cannot do, or else to facilitate and direct

Emigration.

EMIGRATION, which forms our second topic. I have no doubt that, even although we could, by restrictive policy or any other means, provide employment for the whole population within the British Isles for a century to come, it would be desirable, in the interest of mankind, and, what is more to the immediate purpose, in the interest of the empire, to encourage the peopling by our own subjects of the vast and rich agricultural lands which the colonies, on behalf surely of the whole, by the mother country's confidence and generosity, the empire possesses in all parts of the world. To do so is to benefit our fellow-subjects individually, especially those who will emigrate. But this individualism—which it is the modern fashion overmuch to consult—I would rather keep in the background, and make a secondary consideration. In truth, we may well regret that class and individual, as distinguished from national, interests have been in the ascendant, have been supremely considered in British policy for the last half century. The evil, for

Class and individual interests.

such I regard it, is growing more rampant year by year. Imperialism has been misunderstood. Certainly it has of late gained no favour, because it assumed the aspect of rendering the *United Kingdom* imperial (and somewhat imperious), whereas warrantable imperialism means a predominant regard for the strength and welfare of the *empire as a whole*, and the solidification and future solidarity of the interests of the *nation* wherever they are occupying British territory and are thereby capable of adding to its resources and contributing to its independence and permanence. If the millions who have left our shores, not merely to expatriate themselves, which they would not do in an objectionable sense if they went to the colonies, but, in becoming aliens, to aggrandise a power with which we desire beyond all others to be friendly, yet which, nevertheless, we would be even more friendly with if these our former fellow-subjects had been settled on British-American lands,—if these millions, I say, were now reckonable among the colonial populations, how much stronger and more prosperous would not the empire be! The past mistake—a very gross and grievous one, let us admit and feel—will not be altogether a subject of regret, if it now be repented of and leads to instant and earnest endeavours to be more wise and patriotic hereafter, by imitating the United States, whose colonies become component

Alienation of emigrants.

states. It appears to have been an error to extinguish, as was done some years ago, the Emigration Board of Commissioners. I submit that the Government can do nothing more patriotic, and this association nothing more serviceable, than to get this urgent subject considered, even though partly retracing steps. Why should not a grand royal commission of noblemen, agriculturists, Commission of inquiry as to emigration suggested. working men, and colonists, be selected by the Queen, and charged with the task of inquiring what is best to be done to divert the rapidly augmenting flow of emigrants towards the colonies, and confine it within the British dominions? The advantage of retaining within the empire such a valuable "property" and potentiality and productive power is beyond all calculation and all conception. To take the very lowest view, supposing every full-grown man to be worth, whether we estimate his value by the cost of rearing, or by his probable contributions to wealth and defence and taxation, at £500, how much better to retain him under the British crown rather than—as unvalued surplus, ay, or Value of emigrants. an encumbrance—not present him as a gift, but let him *throw himself away* beyond the limits of legitimate loyalty? Why applaud men of eminence among us who are engaged in such unnational operations? Reaching the third stage of this paper, I remark that the grandest EMPIRE on the face of the globe is the British. The mother country consists of two islands geographically separated from the continent of Europe, having ports continually open, and endowed by nature with mineral and other wealth rich and large beyond estimation. Our Queen rules territories of vast Grandness of the empire. extent, peopled in a great measure by hardy offshoots, in north and central America, in Australia, and in Africa, not to speak of other possessions admirably placed in other parts of the globe, forming a vast and unique aggregate that comprehends every desirable variety of climate, and is possessed of splendid sea-coasts and river channels. To this great empire is attached India, not so much as a source of profit or glory, as a charge and a field for the noblest occupation of our noblest spirits. Between the several parts intervene navigable seas—whereon the British navy and British shipping are supreme—in such manner that, though geographically separated from the British Isles, the colonies are united by the best, the most frequent, and the most speedy means of intercommunication. All this renders the empire more powerful than if it existed in one solid block or were situated (as land-agents say) in a ring fence. It must be confessed that the British Islands, although they contain so numerous and so vigorous a population, now reckoned at near 34,500,000, could not, I will not

A Nation's
rst concern.

What the
British Em-
pire might
become.

Backward-
ness of
statesmen.

say with success, but I do say only with the certainty of a greatly increased debt and great interruption of commercial prosperity, cope with other first-rate powers, especially if two of them combine and, if combined, own a strong fleet. Knowing that the foremost concern of a nation is to preserve and establish its power and independence, we gladly and with confidence point to what lies within reach—within easy reach. Include the colonies, let them contribute to the area from which are drawn revenues, soldiers, and seamen for the navy, and how different becomes our position! Look forward a little, and in God's good providence they are as populous as the mother country, of which they are even now the glory, the *decus*, though not yet *tutamen in armis*. The division of our strength, which ignorance laments, will make us more secure. Even though London, the capital of the empire, were besieged and taken, a supposition so extreme that I may be pardoned for making it, the enemy could not feel he had struck a vital part. The empire's strength would remain. It should still be able to overcome all enemies, and might emerge more powerful. We must not regard the colonies as a *reserve* of power, nor even as *auxiliaries* in case of war, but as component parts of the great empire, which is the common inheritance that belongs to them as much as to us. At present, though they are honourably loyal and ardent, their loyalty and ardour are not turned to account; nay, they were latterly, by a few public men—never by our people—made light of. No preparations have been made to call such an inestimable advantage into action in case of need, still less to combine, in that unity which is required for strength and effect, the forces which the colonies are able to raise with those raised in the United Kingdom. No doubt, if the time necessary to organise would be allowed us, admirable contributions would be called forth. Certain powers with whom we might come into conflict, and all the more because we are neglectful, have already soldiers counted by the million. We cannot begin this, the great work of imperial reconstruction, too soon. The phantom character of our empire, at present consisting of splendid stones all ready to be built into the grand edifice, but not yet built, must no longer be the reproach to nineteenth century statesmanship. We must look beyond our isles, beyond the proximate hour. Facts must be recognised. The claims of the colonies must be admitted. They must no longer appear to be outsiders—no longer be treated as if they were. They must not again be told that they may leave the British connection; on the contrary, they must be assured that the mother country esteems them, is proud of them,

will do them justice, will allow them their fair share, proportionate to number, in the maintenance and government of the empire and in the direction of its policy. At present colonists have not the full rights of British subjects. They are at this moment exposed to the danger of war, yet have not the slightest voice in determining the course that shall keep them from that dreadful calamity, nor the armaments which would render a war—if it should arise—short and the means of establishing peace with honour and advantage. It would be well if we could make all the Queen's subjects conscious that they derive positive benefit from the connection, and do not *suffer*, as, for instance, I apprehend they do by the copyright monopoly, a monopoly which appears to neutralise the statesmanlike policy of sending the healthy throb of vivifying influence from the nation's heart in the largest possible measure to its remotest extremities. In order to this some politicians have, though not seriously, proposed intra-imperial free-trade. At present and for a long time this imagination must be kept in the background or dismissed. To say much about it might create prejudice as well as unwarrantable and unrealisable expectations. We can at once do much, however, by a proper system of emigration and opening out to rich and poor Britons the colonial unoccupied lands. Negotiations with the colonies, in which attention to this subject would certainly be prominent, should be entered upon at once. Every hour will increase whatever difficulty is now found or feared. No insurmountable, no serious obstacle exists. At present there is harmony throughout the Queen's dominions. We are in the enjoyment of peace abroad, as well as within the empire. The mother country is powerful and prosperous. The throne is much more than respected. The Queen is beloved. Almost everything, everything but the short-sightedness of statesmen, their desire to avoid whatever may embarrass them, their subjecting imperial to party interests, favours union and facilitates it. But new circumstances may arise; troublesome questions may emerge; prejudices may grow up which would render hardly possible what it is now comparatively easy to compass. There are the noblest motives to impel us. The world cannot afford that the British Empire should be disintegrated. Yet this it might be, for the *status quo*, the present miserable nondescript, fast and loose relations, cannot be permanent. Separation—which the people would deplore—is inevitable if there be not union. If the present generation fails, as the last has done, through the indolence, the self-complacency, the *insouciance* of our leaders, to rise to its responsibilities—fails to

Colonists have not yet their full rights.

A customs-union for the empire hardly possible.

Opportuneness and necessity.

occupy the position to which Providence points,—the next may bitterly regret and hopelessly reproach; but there will be no room for retracing of steps, no opportunity to rectify and recover what has been irretrievably thrown away or let slip. There are different ways in which the solidarity of the empire might be achieved. We have before us such bright examples as Switzerland, Germany, the United States of America. There are varieties of form, yet but one underlying principle, that of equal and just representative power and responsibility. The representation might be in a new supreme body, not identical with, but such as the British Parliament, or in a new supreme council such as the British Cabinet. There is conceivable, of course, another form, representation in the mother country's present Parliament. This is the system of Spain, and more or less of France. But it would not work. Parliament has already too much to do, too many demands on its time to face; besides, the representatives from the colonies would feel themselves, and would be viewed by their fellow-members and the people, as meddlers in home businesses which do not lie within their sphere, and with which they are not qualified to deal. They would feel their position uncomfortable and irksome. Still further, already the number of members in the British House of Commons is by many regarded as—nay, by general consent declared to be—too large. This very circumstance, however—I mean the necessity that is so obvious for undertaking something of the nature of re-adjustment—may be welcomed as really *conducive* to the establishment of a better system of representation. If we must make a change anyway, let us do it rightly. I respectfully suggest that such a system as would be, on the whole, best, lies ready to our hand, and involves no very serious and a scarcely perceptible change in the position of the various Parliaments and Cabinets of the empire. I present my views in the form of a question. Why not institute a council, call it imperial or supreme, which shall have committed to it exclusive and entire control of all matters that are purely imperial, eliminating these from the cognisance of the British Parliament, which would thereby have more time at its disposal for the increasing and vastly important business of the United Kingdom? Indirectly the British Parliament would be able to exercise hardly less power than it does at present in regard to the matters that will be eliminated. I believe that a *supreme representative council* would, in the particular circumstances, not only be much more easily established, but would work better; that is, would do its work with less friction

Solidarity of
other em-
pires by
federation.

British Par-
liament can-
not receive
colonial
members.

Supreme
Imperial
Council
proposed.

and disturbance, and with more unity and efficiency and persistence and weight, than a supreme *Parliament*. To this council the mother country and the several groups of colonies should be allowed to send representatives, chosen by each portion of the empire, on whatever principle, and for whatever period of service they severally think fit. I would make the entire number bear a proportion, compared with the population of the empire, that would give for the United Kingdom a share of representation corresponding to the number of persons who collectively form the British Cabinet. Assume that this number is fourteen, they would add to their provincial functions an imperial one, for which they would sit either personally or by substitutes elected by themselves as a body, or by the direct vote of the British Parliament. Canada might be entitled to a representation of four, Australia two or three, Africa one, other parts of the empire two, making a total of twenty-four or twenty-five, which would gradually be increased in proportion as the colonies and the mother country shall increase in population. India, provided she could be satisfied with an amount of representation much short of that which, reckoned by mere numbers, would be her allotment, might be included and contribute six or seven, making a total of about thirty in all. This supreme council might be entitled to conduct a part of its business by a committee formed of its own members, and should meet at least once a month during the whole twelve months of the year. Ability to meet at very short notice, and, when it is required, to hold sessions in secret, gives great superiority to the principle of governing by council rather than by a Parliament. Indeed, even if a supreme Parliament were to be interposed, the actual government of the empire must needs be through a committee or cabinet, which is just another name for our council. That the system would work well there is little room to doubt. There would be no interference with the functions that properly belong to those who now rule in each of the several distinct portions of the empire. I will not call them *states*, because that would imply independence, but *provinces* or *dominions*. For instance, the British Parliament would be free to pay its quota towards the general expenses of the empire by direct or indirect taxation, according to its own pleasure. It would be entitled to take its own means for procuring soldiers and sailors, either by conscription or bounty. The functions of the supreme council would be, at any rate until the central government became, in the opinion of the people, entitled, in the interest of the nation, to be entrusted with more authority confined to the business for

Constitution
of the new
council.

India.

Contributions to
general
government
and defence.

Advantage
to British
Parliament.

A noble
ambition.

which alone it exists, viz., what is imperial—business such as the management of foreign relations, the making of treaties with foreign powers, the fixing the nature and extent of defences wanted for the protection and strength of the empire as a whole and of its several provinces and constituent parts. Like the representation, the contributions of money and men would be, speaking roundly, in a diminishing ratio proportionate to population. So far as I can judge, we must not lay any stress on the advantage that might ultimately be attained by instituting a great intra-imperial Zollverein. On a superficial view, some of our home politicians might apprehend that the British Parliament would sink by such an imperial organisation into insignificance. The answer to this is, to do its work well is the highest honour, and it would undoubtedly do its work better than at present. It would, however, still, according to the proportions which I have indicated, contribute fourteen out of twenty-five, or, including India, out of thirty or thirty-two members of council. The talent and patriotism of the United Kingdom, associated as it would be with the first minds and best hearts of the whole empire, would have a wider, I might almost call it a sublime, scope for world-benefiting activity; and, as the colonies or provinces would be entitled to nominate as their representatives British subjects belonging to any part of the empire, often conspicuous and eminent Britons would be selected. Thus, even though the mother country were to relinquish the predominance of numbers which her numerical strength and great resources would entitle her to claim, she would still in practice have full power; in fact she would lead. As to the colonies, if ambition is commendable—and rightly regulated, though with another name, it is so in the highest degree—their great men, who now want an adequate sphere for the development and the exercise of their energy and aspirations, would, after training in the colonies, contribute to the grandest council that ever existed on the earth's surface, probably the most valuable and healthful and beneficent constituent elements. One thought more in conclusion. With all charitableness of judgment, and the strongest desire to think well of other nations, two considerations of the utmost weight and stimulating force claim earnest attention. These are, the empire's need to be independent and strong, seeing we have no warmly attached allies, no friendly States on whom we can depend as having a common interest and aim in those causes and objects which the British people cherish and espouse pre-eminently. We shall as a nation continue our pacific and amicable policy, but it

will be pursued with all the more success in proportion as friendly relations are not needed by us, but, on the contrary, as desire is felt by other States to cultivate and reciprocate friendliness. For too long, let me add, even high statesmanship has been an affair of party. Shortsightedness, attention to immediate interests and disregard of the remote, could not but prevail. We must rise to an elevated level. The choice for the nation lies between consolidation with greater influence, on the one hand, or disintegration, along with feebleness, yet with old traditions fostering a dangerous pride, threatens a fall, on the other. *Speremus meliora.*

Increased
influence.

Many will read with pain an article in the *Times* of 6th January on the empire. It contains much truth—truth either stated or implied in the preceding paper. I make the following remarks :—
It is said—

1. The colonies cause the mother country danger and expense. No doubt : therefore we desire a constitutional connection such as will equalise these. The colonists do not object to bear their fair share of both.

A right view
of the
colonies.

2. Too much of the precious time of Parliament is engrossed with subjects arising from India and the colonies. No doubt : therefore let us hail the council for the empire, which will give us desired relief, and at same time lead to improved administration thereof.

3. Whereas the United States are geographically compact, the British dominions are scattered over the globe. No doubt : for some purposes this is what, if Heaven gave us the choice, we might not prefer. But for other purposes, it is a decided and great advantage, and it is an existing *fact* which should content us.

4. Some colonies protect their trade. Well, it is not fatal to us. We voluntarily invested them with the power to do so (and gratuitously with splendid unoccupied lands). They would not be displeased to have an imperial customs-union, and would be ready to receive any overtures to that end.

IV.

IMPROVEMENTS IN THE WORKING OF THE
PARLIAMENTARY MACHINE.*A Paper prepared for the Social Science Congress, 1880.*

Unsatisfactory mode of passing bills.

Can be amended.

THE working of the Parliamentary machine is clumsy in the extreme. The machine itself is, for most purposes for which it is applicable, perfectly satisfactory. We have heard lately much about obstruction. We are continually saddened by disappointments every session experienced; members work hard and spend a great deal of time on the preparing and passing from one stage to another of important and useful Bills, which, like the stone of Sisyphus, when almost at the top, where success would reward labour, must return to the ground at the bottom of the hill, to be again as laboriously rolled up. But we do not know how many reforms and advantages we miss through the discouragement these fruitless labours, these hopeless undertakings infuse, nor the instructive and effective discussions which are *not* initiated, simply because there is not time for them, in consequence of the weary hours wasted on the other business. An easy remedy that has often been suggested remains to be carried out; Bills should be allowed to stand in either House on the next session at the stage to which they had advanced on the session when they were first introduced. This would be practically an immense addition to the time of the House. It would equalise in availableness the different months of the session, and greatly suit the House of Lords, whose constitutional functions and power of work are in abeyance in the early part of every session. It would also prevent at the end of every session excessive pressure and much hasty legislation. Another effect I for one estimate highly, it would give more time for bills being sent by members to constituencies for consideration there,—an advantage to all parties, and, though that is a small matter, a comfort to members, who naturally wish to carry out the wishes and avail themselves of the knowledge of the experienced parties and interests whom they represent, and whom at present they seldom are able to sufficiently consult. If this system of passing Bills were in practice, Parliament would have more time for local bills. But the day is evidently approaching when the provinces will be charged with the responsibility of settling many local matters without an appeal to Parliament, or at any rate without protracted and expensive and unsatisfactory

inquiries, leading to regrettable decisions, there. I also suggest that some person ranking equal to a judge should be appointed before Bills receive the royal assent, to revise them, and so to insure they are "workable."

I may be excused for saying in connection with the question how far it is desirable to leave the sanctioning of local undertakings to local bodies, that the opening out of county government will of itself remove some of the apprehensions that may justly be entertained. But more is required; at any rate it would be comfortable to have some control, and not allow a minority, perhaps a very small one, at any particular meeting, even after due notices have been published, to sanction heavy expenditure or exercise, as they might, a somewhat tyrannical power. I suggest that reference to, and supervision by, the Home Office, or any board in London, would be by no means satisfactory as a preventive. I would have no control by any outside body; the control which I desiderate, and which probably would suffice, lies in the direction of written, or at any rate formal and personal approval by a majority of qualified persons. More and more we find that increase of numbers, enlargement of constituencies, lessens rather than increases safety and control. If a man's vote be counted *per capita*, and not with any regard to the amount of interest he possesses and the influence he rightly or wrongly conceives he is entitled to, he becomes discouraged, and begins to absent himself. The consequence is, when he does attend, he speaks with less knowledge and less weight. This he feels and sees, the result being that he still further shirks his responsibilities, and the public loses the advantage which he, beyond others, would, by taking part in deliberations, lend to many a deserving cause, and popular government itself becomes discredited, which all of us must regard as a great evil.

Much may be done in the provinces;

but better procedure wanted there.

If the proposition which it is the main object of this paper to introduce for discussion were adopted by the Legislature, not only would a considerable amount of friction and resentment be removed from the proceedings of the House of Lords, which the present system of working *by the session* instead of *continuously* engenders, as I think, mischievously; but the House of Lords would be in a position to re-occupy the ground which it has lost in public favour. I by no means think the House, as at present constituted, however well it is *capable* of discharging its functions, can permanently retain that hold on public confidence, and regain that place in public favour, which it formerly claimed and enjoyed, and which it is all the more desirable to restore, now that the demo-

Improved position of Upper House.

Peers in
Upper
House
should
represent
counties.

cratic principle is, Parliament after Parliament, gaining greater ascendancy. It is most anomalous that so large a number of Peers continually withhold attendance in their places. It is dangerous and unseemly to trust so much power to the very small number who do attend. Individually the Peers are not what popular imagination assumes them to be. A large proportion of peerages are what in the language of the day are called *new*, not men of old family, and individually not possessed of a larger number of acres and a greater stake in the permanent interests of the country than a much larger number of persons who are commoners and so are excluded from the Upper House. I have long thought and advocated that the elective principle should be applied to the Upper House in this form—Every county, according to its population, should send thereto one, two, three, or four nobles, appointing them for life or, if this should be thought better, during pleasure. The electors in the county might be the electors who now vote for members of the House of Commons; but I would prefer that the franchise were given only to those whose qualification is based on real property, and the reform would be more acceptable if the electors were those only who are rated on £20, £50, or £100 annual values. An admirable effect of introducing the elective principle would be the stimulus it would give. Peers would endeavour to unite with the people and to be in accord with them, and, when elected, to show their appreciation of future as well as past favours by meritorious attendance at their posts. Only those would present themselves as candidates or be elected who are prepared to do their great work faithfully and earnestly.

They should
be elected.

The Scotch
Peers' ex-
clusion from
Parliament.

There is no longer the danger of undue influence from the upper regions of society which led to Peers being made ineligible for the Lower House. What is more preposterous than the exclusion of our Scotch Peers from Parliamentary service there? Why should not the people have the right to employ and enjoy in the House of Commons whatever services their districts, or all districts, present? What an advantage would it be to maintain at, or elevate the House of Commons to, the highest social level, by increasing the number of persons of rank whom it already so beneficially contains? Who are the most valuable members of the Upper House? Is it not they who have been trained in the Lower? I go so far as to suggest that every Peer should be eligible for either House; and I would scarcely, if any one were elected to the Commons, require him to choose which of the Houses he would prefer to sit in. He might sit in both if his constituents so will it. Let me as a last word

remark that a radical, though little noticed, fault of the present constitution of the House of Lords is absence of all local or provincial distribution as to seats in it. The giving counties elective representation at once and completely rectifies the wrong that is at present done, regulates what at present is altogether a monstrosity, and at same time it sets governments free to indulge a passion and a weakness that, under the present constitution of the House, is rapidly deteriorating its social superiority and undermining its just and desirable influence—I mean the passion for conferring hereditary peerages on men, not because more Peers are wanted, or the men favoured and their heirs will mend the average, but for party purposes, often as a recompence for paltry services not to the State but to statesmen, and sometimes for the low purpose of consoling for disappointments. Make the House elective (always allowing members of the Royal family to be called without that procedure), and the greater the number of persons made eligible the better. By this means, too, a very wholesome distribution of honours—by which I mean investing with responsibility and duty—will follow.

Elevation of
both Houses.

P.S., Dec.—To the foregoing may be added the following:—There is no reason why for such an elective House of Lords *all* Scottish Peers should not be eligible. The one-sidedness of the manner in which they are elected at present is more and more complained of. The Lord Advocate's weighty and patriotic paper on "Home Rule for Scotland" has observations on this part of the subject which will deservedly command earnest attention. Eligibility for Irish counties may be claimed by *all* names on the *Irish* Peerage. That Peerage, however, contains two distinct sorts,—one of these being proprietors of Irish soil, and therefore gentlemen truly connected with Ireland. Of the other sort are gentlemen who inherit titles in the Irish Peerage conferred without the original recipients having any connection with the Emerald Isle. As to such Irish Peers as do not at the time hold a considerable acreage of land in Ireland, it would not be unfair that these should be ineligible.

Lord Advocate's pro-
positions.

Although Scotland is not very ill represented in the Peerage, if the estimation might be made legitimately on the basis of *numbers* without regard to *residence* and *leanings*, yet to anybody who reflects it must be obvious that practically she is not well *served* as a nation; and still more, that over the different portions of the ancient kingdom the distribution of such service as she gets is extremely unequal.

"Grand Committees" have been sometimes proposed. To these there may be two formidable objections :—

Objections
to grand
committees.

1. Take the case of members whose experience and energies lie within the scope of more than one of these committees. It would be painful to them, and hurtful to the nation, to confine such persons to one.

2. Members of the Government would too often, if it were allowed, serve on more than one committee, and thereby be invested with undue vote-power.

PARLIAMENTARY PAPERS.¹

Government
has facilities
it does not
turn to
account.

It is wonderful that the Government, which has been so well served for many years in the department chiefly concerned with Parliamentary Returns, has not hitherto made any earnest and business-like attempt to advertise and circulate, and so to utilise, the vast treasures of information obtained at great cost of labour and money, and capable of serving the best of purposes if widely diffused in the several quarters where they would be appreciated and tell. There are the Gazettes, and other publications, those of the Patent Office for instance, in which Parliamentary Returns and Blue-Books, *et hoc genus omne*, could be advertised at literally no calculable cost. There is the Post-Office, able to carry them to all parts of the United Kingdom. There are thousands of public libraries and public institutions and offices which would receive them with gratitude, put them within reach of multitudes, and preserve them for reference in future years.

¹ A continuation of the original paper.

VALUE OF HOME-TRADE AND MANUFACTURES

(From *Copyright and Patents for Inventions*, Vol. I.)

I HAVE never seen a tabular statement showing the amount of home employment and pecuniary advantage which a working man with a family, by his residing in this country affords. To begin with, he pays rent. That rent enriches his landlord, who has thereby more income to spend. It may be said, No, somebody else would occupy the cottage. Be it so; then a *new* Benefits diffused by employment. cottage is wanted, which excavators, masons, joiners, slaters, plasterers, plumbers, painters, glaziers, ironmongers, etc., will find employment in building and making habitable. To return. He and his household must be fed. This will carry most of his wages to baker, butcher, grocer, milkman, green-grocer, etc. They must be clothed and shod. This will carry so much more to draper, tailor, capmaker, shoemaker, hosier, etc. The school-master, doctor, coal-merchant, chandler, and others, not excluding the newsboy and the goodie-vendor, will in their turn have shares of the patronage or custom. We need not go further in specifying the several receivers into which the enrichment is distributed.

But we are still only at the beginning of our reckoning. All of these participants, without exception, for themselves and their families, spend this money they draw from him in the same manner as he does. They—every one—are by their residence diffusers or channels as well as receivers. It is true that not the whole of the money the grocer is paid stays in this country. Some of the articles he sells are imported from abroad. Tea for instance. Well, it not only yields him and the wholesale grocer and the bagman, as well as the merchant and broker, profit, commission, or salary, but also, before it reaches the grocery, British shipowners, sailors, warehousemen, porters, carters, etc., have been earning a part of their livelihood; and further, besides local imposts, the nation has levied duty for the benefit of the public exchequer. As to the sugar, it has employed the refiner and the multitude of men and tradesmen who are required for the operations of the sugarhouse. And to go further back, some colonist, we may hope, has produced the saccharine: and through the same number of hands it must have passed as the tea does. As for the soap and candles, some portion of the raw materials may be foreign, but they are manufactured here, and so with the woollens,

cottons, linens, etc., they are at least in a great measure British, both in their raw material and in their fabrication. The stones, slates, glass, and ironwork, like the furniture, of the house he occupies, are entirely British.

Every industrious man contributes to his neighbour's welfare.

But, to proceed further, our exemplar working man must be employed. He may be, according to the supposition on . . . , a shoemaker, and in that capacity he or his master will have custom to give for the operations of his business. The leather comes from a British leather-dealer, who, in his turn, had it from a tanner and currier, who bought the hide from a butcher, who bought the ox from a grazier, who paid rent to a landowner, who bought manure from a manufacturer, who, with all the others likewise, has been giving employment and profits. The tacks, the binding, etc., of the boots and shoes that Crispin makes, give rise to a similar series of employments and earnings. His industrious habits and the increase of his family contribute to the prosperity of the place where he resides, and of the country as a whole, as long as he lives among us. If the fashion were to prevail generally of buying boots and shoes of Parisian manufacture, he must look out for other employment or else emigrate.¹ Other employment he cannot get without displacing somebody, who, in that case, will be the emigrant. Of course, when he leaves his native land, he may use and consume a fractional amount of British manufactures, but it will be a very minute and a decreasing fraction, and as to the various professional gentlemen and tradesmen whom he encouraged, they cease entirely to receive benefits, and even his house becomes tenantless, unless indeed some new trade giving employment is attracted, which is a supposition rather too sanguine; but, even so, it only proves the point we are illustrating, viz., that employment is highly desirable.

¹ Loyal Britons will not grudge the Colonies the benefit of large emigration to those parts of the empire so steadily rising in importance, although there is sadly too great reason to exclaim against the tardiness and blindness of our statesmen in respect to the grand question of making the empire one. Every session that is suffered to pass without the problem of unity being solved is an incalculable loss—to the world perhaps—and replete with increasing danger. Unfortunately, far too few of the emigrants go to the Colonies, partly, no doubt, because the empire is not yet federated. The official people of the United States have published what some persons may think unduly high estimates of the value of an emigrant, apart from the capital he brings to the republic. But further consideration would probably not only remove these doubts, but convince that these estimates are too low. Will any of our own countrymen, whether on the basis of cost of rearing, or on that of productive power, or on that of a money-circulating, tradesmen-employing, and tax-paying yield of benefits and profits, show how much a brawny, honest man is worth to the nation? I should not wonder, on the average, nearer £1000 than the officials' sum. We mean an average man of the type in ordinary times. Who can tell what in war? What at all times if he be a man of fertile brain, and a leading spirit

VERY HURTFUL EFFECT ON TRADE OF FOUR HOURS LESS LABOUR A WEEK.

A letter in a recent *Economist* disparaged the alleged suffering sustained by British manufacturers through legislative interference with the hours of labour. In consequence, I have obtained information from a millowner who is every way able to present facts and figures, from which I find that the difference between 60 and 56 hours per week in a factory using 5600 lbs. of wool weekly, raises the cost of manufacture $\frac{4}{7}$ of a penny per lb., or more than seven per cent. The reader knows what is meant by a "margin." It is not *profit*, but that excess of the selling price of an article beyond the cost of the raw material, which ought to pay for the expenses of manufacture, and also leave a profit. If, in the present calculation, we assume the *margin*, when the time is 60 hours, to be 25 per cent. gross, then after paying the wages and other expenses, the margin is reduced by £16, 13s. 4d. a week; a reduction so considerable as to make much more than the difference between profit and loss, for £16, 13s. 4d. a week is £866 a year.

My informant adds:—Granted a manufactured article, price of which is fourth-fifths represented by raw material, a duty of 10 per cent. upon it by a country which can buy the raw material at the same price is in reality a duty of 50 per cent. upon the fifth part of it represented by labour and profit. Now there is no industry can live under this disadvantage; and if it be perpetuated in a new French Treaty, our principal industries will, before the expiry of it, have ceased to send a pound across the channel.

If former generations had not guarded against such practically unequal competition, where would have been British superiority on the fields of industry, and where the exceptionally good position of the British artisan? Must he not have sunk to the level that tallies with lower wages, consistently with official ideas not long ago enunciated? Surely the masses, who have been enfranchised since free-trade was adopted, may warrantably claim that, at the least, their case and interest and wishes shall be so far consulted as that the candid inquiry proposed on pp. 36 and 100 shall be conceded. It is abundantly clear that, unless there be some adjustment, by no means synonymous with protection, of the nature indicated on p. 36, either wages must be lowered, or most of our trades will, until they succumb, be carried on at a great disadvantage. See page 41.

Here follow a number of promiscuous extracts and documents, containing a large amount of matter which will be found interesting and valuable by any student of the subject who will patiently wade through, or even dip into, what lies by no means invitingly before him.

I have other books on my shelves,¹ in which are marked some passages. In particular, *The State of the Nation*, Edinburgh, 1730; *The Constitution and Present State of Great Britain*, London, circa 1755; Dr. Campbell's *Political Survey of Great Britain*, Dublin, 1775; and *The Edinburgh Review*, 1819 and 1834; but I forbear adding them. The reader may well think he has enough. They would show—

1. How even on the youth of the kingdom were sedulously inculcated by our great-grandsires very sensible principles of commerce and manufactures, along with the rightful place of trade, as primary objects of national concern, partly in maxims the same as those extracted in preceding pages from *Cary* and *The British Merchant*: and let it be noted, the value of trade with colonies was held in justly high estimation, therein teaching a lesson for us.

2. How our forefathers disparaged importations of luxuries, and regarded these as fit subjects for exceptionally heavy duties of customs, much as is seen in several extracts I have given.

3. How confident Mr. Pitt and subsequent advocates of improved trade relations with France were that British industrials could, except in a few articles such as silks and lace, more than hold their own in competing with the French.

4. How predominant in the minds of these statesmen was expectation that, if free-trade with France were established, it would chiefly be (including silk manufactures) the produce of her *soil* we should receive.

5. I may add, how great and persistent and very successful have been, at and since the time of Colbert, the nursing care and the energy and skill directed by the French to commerce, and that both this desire and attainment of commercial development was with a political design, and in connection with national naval and military strength.

I am tempted to indulge here in two short extracts, the first from *Proposals for carrying on certain Public Works in the City of Edinburgh*, 1752. This semi-official document, after saying, "the whole system of our trade, husbandry, and manufactures . . . began to advance with rapid and general progression," proceeds, "It is the united force of the whole nation which seems at length to be exerting itself. Husbandry, manufactures, general commerce, and the increase of useful people, are become the objects of universal attention." The other, *An Address to the Electors of Great Britain, by an Eminent Hand*, Edinburgh, 1740, of a fit Member of Parliament, says, "As he must immediately discern that the plenty and power of this nation can only be nourished on the bosom of trade (especially manufactures), every method should be devised to secure the long and healthy life of our *Alma Mater*."

¹ Except for Reports, I have not gone beyond what these supply. If I had, how much might my presentation of the case have been strengthened!



APPENDIX

CONTAINING CONFIRMATORY EXTRACTS.

A.

EXTRACTS FROM "THE LIFE OF THE PRINCE CONSORT," VOL. V.

"The Commercial Treaty, negotiated by Mr. Cobden, between England and France, had been signed at Paris on the 23d January, and ratified 4th February. It had been announced that it would be laid before Parliament on the 6th February by Mr. Gladstone, and that he would at the same time make his financial statement." . . .

"While all were fascinated by the clearness of exposition, the comprehensiveness of view, and the eloquence which distinguished this address, the scheme which it developed *provoked much unfavourable criticism.*" . . .

"The prospect for the coming year, too, was far from encouraging. It showed a deficit of more than £9,000,000, the estimated charges being £70,000,000 as against £60,700,000 of estimated income. This deficiency Mr. Gladstone proposed to meet by renewing the Income Tax at an increased rate—10d. in the pound on incomes above £150, and 7d. on incomes under that amount, and by continuing the existing high tea and sugar duties. The weight of these burdens all could appreciate. They were imminent and certain. The advantages to result from closer commercial relations with France and the reduction of the import duties on French wine and brandy, on which Mr. Gladstone mainly rested to persuade the country to bear for a time the disturbance of the equilibrium between its revenue and expenditure, were speculative, possibly remote, and in any case open to much discussion." . . .

"The Treaty with France, on which it so largely rested, had fallen out of favour with many who had at first been well disposed to it from the moment their trust in the sincerity of the Emperor had been shaken. Such advantages as it offered seemed too like a lure to conciliate objections to the annexation of Savoy, an imputation freely launched against it, indeed, by the French Protectionists. And even these advantages seemed to be more than counterbalanced by those which, under the Treaty, France had secured for herself. What she most wanted, our coal and iron, we bound ourselves to give her for ten years duty free, while we were also pledged to abolish all duties on French manufactured goods, and to reduce the duty on brandy from 15s. to 8s. 2d., and on wine from 5s. to 3s. These changes

Gladstone's
French
Treaty
speech.

His main
arguments.

British
pledges as
to coal and
duties.

Disparity of obligations.

were to take immediate effect, while, on the other hand, France retained all her prohibitory duties on English productions unaltered until the 1st October 1861, when she engaged, not to abolish them as we had done, but only to reduce them to a maximum *ad valorem* duty of 30 per cent., to be lowered to 25 per cent. after the lapse of three years. On the whole, however, the manufacturers of England were not dissatisfied with the arrangements. The Treaty was a step in the right direction." . . .

"The Emperor continued," in a letter to Lord Cowley, "the approval of the Commercial Treaty must of necessity restore to their normal state the political relations of the two countries."

B.

NOTES ON THE FRENCH TREATY, 1860.

Objections to the Treaty.

The following remarks by Mr. Macfie were published in the *Liverpool Daily Post* of 16th February 1860. Of course they were but imperfect at the time, and could not be expected to forecast exactly the actual working and consequences of the Treaty :—

"THE TREATY WITH FRANCE.

"To the Members of the Chamber of Commerce.

"The following are among the objections a supporter of the Government has to the treaty :—

"It concedes much in return for little. This is impolitic, because irritating to the British people, and not calculated to win us the respect of foreign nations.

"It *perpetuates* the inequality between our treatment of France and her treatment of us, by confirming it and withdrawing the main inducement to lessen it by lowering duties on importations into France.

"It deprives the United Kingdom of the power of rectifying that inequality from her own side by a change of duties.

"It deprives this kingdom of the power of reverting for revenue to the Customs duties which she abolishes, whatever the future state of the national finances. Surely no treaty ought to promise more than that France shall be treated as the most favoured foreign nation. On wine we reduce the duties without the power of reverting to higher ones.

"It deprives this kingdom of the power to legislate independently in regard to affairs that are exclusively her own concern,—how she shall raise her revenue, and on what; whether she shall have export duties or not; what she shall allow to be exported, and what not. Why should we become dependent on any foreign power to say what our Customs system is to be?

"It binds us to allow the export trade in coal without restraints, or duties, or limits, even though we may be engaged in war with the

nation to whom it finds its way, or anticipate war with France itself; and this in spite of the danger of our own supplies approaching exhaustion.

"It is thoroughly one-sided. Witness :—

"I. The duties on the side of France are to be 30, and, by and by, 25 per cent. *ad valorem* (including charges of freight, insurance, and commission, in the valuation); whereas those on the side of the United Kingdom are, or are to be, almost universally abolished.

One-sided-
ness of the
Treaty.

"II. It allows France duties of importation on coal, though it precludes Britain from levying duties of exportation thereon, between which kinds of duties, as legitimate revenue, in effect there is no substantial difference.

"III. It expressly reserves the present differential duties in favour of French shipping, while it precludes any in favour of British, thus surrendering a precautionary power contained in our laws at present.

"IV. We make a heavy surrender of duties on wine and spirits to please France; whereas France makes a great reduction only on such articles as, according to Lord John Russell, the nation cares little about her taking (see correspondence), and which, at least, are important aids to her as a manufacturing and agricultural people.

"V. We charge the costly brandies of France no more than our own common spirits.

"VI. Provision is made for the interests of the French colonies and North African possessions, but not a shadow of advantage to the colonies of Britain! Their produce and manufactures do not seem included in the reduction of duty in France; certainly not unless imported from the United Kingdom.

"VII. Importation from France, whatever the place of growth or manufacture, insures the advantages which we concede, whereas importation from the United Kingdom is not enough, unless it also be the country of production and manufacture.

"VIII. France is left at liberty to continue her present exclusive navigation system, or adopt any other, just as may suit her will and her interests. No option is left us. We cannot help ourselves. We must adhere to our bond, whatever the consequences.

"IX. The advantages given to France are immediate; those which they give us come into operation after a considerable lapse of time.

"What are to be our advantages from the treaty?

"It will secure a large market for coal and iron. So far as iron is concerned, we may look forward to a large increase of trade; beneficial to us, and much more beneficial to France—chiefly as a means of attaining greater manufacturing capabilities and agricultural advancement. So far as coal goes, the large increase of trade will be viewed with more indifference, because it is really a transference of capital stock which our own nation may want, as well as a transference of munitions of war, and of means of manufacturing rivalry. It will open up a large market for British manufactures, but under protecting duties which will operate seriously against trade. These duties may not prevent the trade becoming considerable; but they are so high that we should not receive them under treaty as a boon to be met by

Pledge as to
coal: what
it implies.

an equivalent, far less by such liberal concessions as we are asked to make.

"Granting these advantages to be real and valuable, the question arises—What do we concede to obtain them?"

Our independence
compromised.

"We compromise our independence, and we endanger our commerce and manufactures. On these points a few observations hereafter.

"What, then, will be the general effects of the treaty?"

Disadvantages.

"It will deprive the British Parliament of the right and the power to impose revenue duties on articles perfectly calculated to bear it. It will prevent such legislation, consistent with free-trade principles, as may be called for to meet special emergencies and unforeseeable contingencies, such as war with some other maritime power. It will give the Emperor of France a right to interfere in our internal affairs, as it already gives him the prestige of exacting and obtaining high-handed terms. It will expose British manufacturers and merchants to competition, for ten years, with rivals whom it effectually favours; for, as a matter of fact (witness the establishment of the beet-sugar trade), protection does, in a multitude of cases, answer its end: whether that end be legitimate, and the means to attain it expedient and fair, is another question. By means of differential duties to foster French shipping—and foster that branch of industry it will most powerfully—it must throw very much of our trade into the hands of the French. By the operation of French bounties (such as in the sugar trade, at any rate, are well known), and by exemptions from the monopoly in the use of new processes and the heavy royalties for that use where permitted, to which British patent laws subject our own people, manufactures will be stimulated on the other side of the Channel. The new Customs charges would augment this tendency.

Advantages
of French
rival.

"It will besides, and in all cases, confer a double advantage on the French manufacturer. He works without liability to the income-tax of 4 per cent. which the British is to pay; and he gains the benefit of protective prices on whatever part of his manufactured goods he sells at home. If he sells a half at home, and he can secure even only four-fifths of the protective rate, he pockets a 10 per cent. boon, which is denied to our countrymen. That the French will regard this protection as a valuable privilege, there can be no doubt to any one who knows what are the feelings that prevail within protected trades. That its value may and will be overrated does not materially affect the argument, which is, that belief in the value of protection, and its nearly-guaranteed continuance for ten years, will stimulate manufacturing industry among our clever neighbours, who, if outdone at the first by the cheaper and better productions of Britain, will ere long find out the way to improve. Perhaps we may by-and-by see the effect of the revocation of the Edict of Nantes reversed. That unhappy interference with the rights of man led to the settling in England and Scotland of many skilled artisans, and the introduction among us of new arts. This chivalrous interference with the natural course of events may cause the expatriation to France of thousands of our noble working population at the instigation of French manufacturers. Some

of our own *masters* may themselves calculate that as in what they send to France they have to pay 25 to 30 per cent. it may be more for their interest to remove their establishments to that Kingdom, and supply their own country from thence. A similar transference of ownership of ships may perhaps arise sooner than you expect. There is apparently no benefit whatever in being a shipowner of the United Kingdom, but much in being a shipowner of France. Merchants and shipowners, by a law of their nature, like easier of the Shipping rocks where their eyrie is to be formed, send, though with less rapid flight, to their best place for settling and fixing their home. It will make France the great depot and their ships the great carriers of Europe. By having a bulky article like sugar, which she will have abundantly, as heavy freight, and coals as a return freight from Newcastle on the east coast, Liverpool on the west, Cardiff on the south, and the ports of Leith and Glasgow on the north, she will be able to lay down produce, attracted from all parts of the earth to Marseilles, Bordeaux, and Havre, at these various parts of this island at a mere nominal rate of freight, and on more favourable terms, than the British merchant can from London. It will be natural, and become usual, for goods to be warehoused in the French ports in preference to the English, because thereby a choice of markets will be obtained, which is a pecuniary advantage of no mean amount. But this choice is more than a pecuniary advantage to manufacturers—it is in their case deeply connected with the secret of success. The true means of the growth of manufactures is the extent of open markets, the certainty of large and ready sales. This will be secured to the French. And just so with regard to shipowning. Success there depends on the amplitude of employment and return freight. The tone of British legislation has no doubt been in this direction, independently of the treaty, but so far it has been unconstrained, and liable to review as new circumstances develop themselves. Under the treaty the advocacy of free-trade by Britons will go for little, because foreigners will hold we are not free to act on contrary opinions.

European
business.

“Undoubtedly, the Emperor shows himself in this treaty the Napoleon of peace. He takes the most effectual step possible to realise the cherished desire of his uncle,—ships, colonies, and commerce. We may wish him success; but why concede our national independence as the condition? Why put our neck under the intolerable yoke of a treaty which, unlike former ones, is unequal, and must be galling, because it gives much for little, and not only secures for Frenchmen more favour than for our own people, but prevents our doing otherwise for ten years, whatsoever be the call or the necessity? Would it not be better to throw all our advantage from the treaty to the winds, and make a *present during pleasure* of every advantage it is intended to bestow on the French, rather than come under such a fetter? The great hero-patriot of our island learned from his uncle those memorable lines, which stirred him up to manly vigour, and secured the freedom of his country:—

Ships, colo-
nies, and
commerce.

‘A maxim true I tell to thee:
Nothing so good as liberty.’

"Let us, then, preserve our freedom of legislation,—our right to do what we will with our own; and this we can afford to do, for labour at present finds ample and remunerative employment, and we do not *need* new markets. Whether the French Treaty would, in the end, increase the demand for labour, is a question not easily solved.

Friendly relations with France.

"In the foregoing there is an intentional omission of reference to the supposed advantage of the treaty as a means of cementing our amicable relations with France, because it is not at all obvious that will be the permanent effect of a treaty so framed. Yet this paper will not close without ready acknowledgment of the excellent intentions of Mr. Cobden, its framer, and of her Majesty's Government, who, no doubt, in a most generous spirit have acted with a confidence more deserving of our esteem than our concurrence, that such an aim as theirs might justify unusual liberality.

AN EX-DIRECTOR OF THE CHAMBER OF COMMERCE.

C.

WHAT WE IMPORT FROM FRANCE, AND WHAT WE EXPORT.

A few cullings from the Board of Trade tables for 1879 to show certain facts concerning our trade with France.

The exports of British produce, which in 1875 were £223,000,000, were last year (1879) only £191,000,000.

The exports to France thereof were in 1879 less than in 1875.

IMPORTS.

| | TOTAL FROM ALL PARTS. | FROM FRANCE. |
|---|-----------------------|--------------|
| Of Works of Art we imported in 1879 altogether, | £92,000 | |
| Whereof from France, | | £48,000 |
| Asphalte, | 57,000 | 14,000 |
| Books, | 168,000 | 55,000 |
| And Shipped to France, | | 33,000 |
| Brass, Bronze, etc., | 61,000 | 29,000 |
| Butter, | 10,379,000 | 2,264,000 |
| Buttons, | 567,000 | 153,000 |
| Chemicals, | 889,000 | 260,000 |
| China, | 280,000 | 95,000 |
| Clocks, | 543,000 | 303,000 |
| Corks, | 346,000 | 160,000 |
| Cotton Piece Goods, | 757,000 | 166,000 |
| Other Cotton Manufactures, | 1,200,000 | 538,000 |
| Drugs, | 691,000 | 101,000 |
| Earthenware, | 152,000 | 52,000 |
| Eggs, | 2,295,000 | 1,391,000 |
| Embroidery, | 48,000 | 15,000 |
| Ornamental Feathers, | 1,146,000 | 308,000 |
| Cured Fish, | 1,271,000 | 325,000 |
| Artificial Flowers, | 471,000 | 440,000 |
| Flint-glass (whereas she out of £230,000 took £8000), | 174,000 | 21,000 |
| Plate-glass (whereas she out of £133,000 took £2000), | 162,000 | 58,000 |

Exports to France classified.

71

| | TOTAL FROM ALL PARTS. | FROM FRANCE. |
|---|--------------------------|-----------------|
| Other Glass (whereas she out of £118,000 took £4000), | £787,000 | 154,000 |
| Hair, | 55,000 | 16,000 |
| Hats (Straw) (whereas she out of £334,000 took £79,000), | 48,000 | 38,000 |
| Hats (Felt) (out of £514,000 France took £20,000), | 102,000 | 78,000 |
| Curried Hides, | 792,000 | 347,000 |
| Jute Yarn, | 75,000 | 75,000 |
| Lace (Machine), | 322,000 | 317,000 |
| Pillow Lace, | 69,000 | 7,000 |
| Leather (Boots and Shoes), | 479,000 | 275,000 |
| Gloves, | 1,286,000 | 1,001,000 |
| Leather Manufactures, | 261,000 | 144,000 |
| Linen Manufactures, | 199,000 | 65,000 |
| Liquorice, | 57,000 | 10,000 |
| Wrought Metal, | 100,000 | 28,000 |
| Musical Instruments, | 564,000 | 165,000 |
| Onions, | 450,000 | 78,000 |
| Painters' Colours, | 748,000 | 69,000 |
| Paper (White), | 445,000 | 35,000 |
| Paperhangings, | 55,000 | 44,000 |
| Paper (Brown), | 370,000 | 94,000 |
| Perfumery, | 126,000 | 27,000 |
| Pickles, | 110,000 | 50,000 |
| Pictures, etc., | 366,000 | 198,000 |
| Plants, | 137,000 | 22,000 |
| Potatoes, | 2,696,000 | 502,000 |
| Poultry and Rabbits, | 432,000 | 126,000 |
| Prints, | 55,000 | 23,000 |
| Silk Manufactures, | 7,000,549 | 5,532,000 |
| Ribbons, | 1,992,000 | 1,727,000 |
| Other Ribbons, | 69,000 | 68,000 |
| Silk Plush, | | 34,000 |
| Other Silk Manufactures, | 2,866,000 | 1,880,000 |
| Succades, | 108,000 | 64,000 |
| Refined Sugar, | 4,134,000 | 2,258,000 |
| Toys, | 449,000 | 81,000 |
| Vegetables, | 338,000 | 180,000 |
| Woollen Yarns (Weaving), | 1,233,000 | 180,000 |
| Woollen Manufactures, | 3,015,000 | 2,804,000 |
| Other Wool Manufactures, | 2,621,000 | 522,000 |
| Manufactured Goods unenumerated, | 5,018,000 | 1,822,000 |

EXPORTS.

| | TOTAL TO ALL PARTS. | TO FRANCE. |
|--|------------------------|---------------|
| Alkali, | £2,010,000 | £54,000 |
| Apparel, | 3,208,000 | 128,000 |
| Bags, | 1,437,000 | 32,000 |
| Beer, | 1,075,000 | 40,000 |
| Biscuit, | 485,000 | 128,000 |
| Bleaching Materials, | 310,000 | 34,000 |
| Brass Manufactures, | 308,000 | 7,000 |
| Candles, | 135,000 | 4,000 |
| Caoutchouc, | 761,000 | 136,000 |
| Cheese, | 55,000 | 2,000 |
| (About two-thirds of what the Channel Islands took.) | | |
| Chemicals, | | 200,000 |
| Clay Manufactures, | 175,000 | 19,000 |
| Clocks, | 155,000 | 8,000 |

| | TOTAL TO ALL PARTS. | TO FRANCE. |
|---|------------------------|----------------|
| Coal, | £8,793,000 | £1,298,000 |
| Coke, | 231,000 | 8,000 |
| Fuel, | £181,000 | 57,000 |
| Naphtha, etc., | 501,000 | 183,000 |
| Copper Sheathing, | 938,000 | 43,000 |
| Cordage, | 284,000 | 8,000 |
| Cotton Twist, | 12,106,000 | 4487,00 |
| Cotton Piece Goods, | 29,253,000 | 31,0000 |
| Cotton, Printed, | 17,253,000 | 821,000 |
| Mixed Piece Goods, | 368,000 | 6,000 |
| Cotton Lace, | 1,437,000 | 107,000 |
| Cotton Thread, | 1,833,000 | 25,000 |
| Other Cottons, | 862,000 | 52,000 |
| China Ware, Brown, | 63,000 | 8,000 |
| China Ware, | 1,736,000 | 82,000 |
| Salmon, | 50,000 | 44,000 |
| No Cod, nor Herrings, nor Pilchards, but of unenumerated Fish, | 182,000 | 115,000 |
| Furniture, | 415,000 | 52,000 |
| Haberdashery, | 3,486,000 | 16,000 |
| Hardwares, | 3,028,000 | 140,000 |
| Implements, | 248,000 | 27,000 |
| Pig Iron, | 3,146,000 | 184,000 |
| No Bar; no Angle Iron; no Railroad Iron; no Wheels. | | |
| Wire, | 497,000 | 35,000 |
| Iron Sheets, | 820,000 | 31,000 |
| Other than Wire, out of | 930,000 | no galvanised. |
| Hoop Iron, | None. | |
| Tin Plates, | 3,507,000 | 80,000 |
| Anchors, etc., | 250,000 | 6,000 |
| Pipes, | 378,000 | 53,000 |
| Cast Iron, | 2,478,000 | 39,000 |
| No Nails. | | |
| Steel, | 714,000 | 102,000 |
| Sheet Steel, | 94,000 | 20,000 |
| Steel Manufactures, | 687,000 | 73,000 |
| No Rolled or Pipe Lead. | | |
| Leather, | 323,000 | 13,000 |
| No Boots and Shoes. | | |
| Linen Yarn, | 1,075,000 | 138,000 |
| Linen Piece Goods, | 4,414,000 | 151,000 |
| Linen Checks, etc., | 200,000 | 77,000 |
| No Sail Cloth. | | |
| No unenumerated manufactures of linen, but— | | |
| Linen Thread, | 350,000 | 8,000 |
| Jute Manufactures, | 1,963,000 | 72,000 |
| No Jute Yarn. | | |
| Machinery, | 525,000 | 7,000 |
| Steam-Engines, | 1,673,000 | 90,000 |
| Agricultural Machinery, | 558,000 | 62,000 |
| Other Machinery, | 4,522,000 | 425,000 |
| Manure, | 1,024,000 | 121,000 |
| Medicines, | 784,000 | 15,000 |
| Musical Instruments, | 171,000 | 15,000 |
| Oil (Seed), | 1,388,000 | 93,000 |
| Other Oils, | 344,000 | 106,000 |
| Oilcloth, | 400,000 | 44,000 |
| Painters' Colours, | 1,030,000 | 87,000 |
| Paper, | 678,000 | 42,000 |

| | TOTAL TO ALL PARTS. | TO FRANCE. |
|--|------------------------|---------------|
| Paperhangings, | £146,000 | £24,000 |
| Pasteboard and Cards, | 30,000 | 1,000 |
| Other Paper Articles, | 206,000 | 23,000 |
| Perfumery, | 1,000,000 | 3,000 |
| Pickles, | £658,000 | 12,000 |
| Pictures, Prints, | 199,000 | 61,000 |
| Plate, Silver, | 61,000 | 12,000 |
| Plated Goods, | 145,000 | 5,000 |
| Prints, | 79,000 | 15,000 |
| Saddlery, | 424,000 | 17,000 |
| Saltpetre, | 70,000 | 3,000 |
| Seeds, | 205,000 | 26,000 |
| Thrown Silk, | 694,000 | 322,000 |
| Silk Stuffs, | 585,000 | 237,000 |
| Silk Manufactures—Handkerchiefs, | 297,000 | 19,000 |
| Silk Lace, | 78,000 | 18,000 |
| Silk, other, | 258,000 | 92,000 |
| Mixed Broad Stuffs, | 213,000 | 43,000 |
| Other mixed Silks, | 148,000 | 12,000 |
| No Ribbons. | | |
| Stationery, | 665,000 | 42,000 |
| Grindstones, | 92,000 | 3,000 |
| Woollen Manufactures, | 2,270,000 | 571,000 |
| No Yarn except Worsted. | | |
| Worsted Yarn, | 3,646,000 | 195,000 |
| Broad Cloths, | 2,718,000 | 614,000 |
| Narrow Cloths, | 559,000 | 62,000 |
| Worsted Stuffs, | 1,038,000 | 50,000 |
| Mixed Worsted, | | |
| Stuffs, | 5,882,000 | 1,392,000 |
| No Blankets. | | |
| Carpets, | 803,000 | 99,000 |
| Shawls, Woollen, | 131,000 | 9,000 |
| Rugs, | 307,000 | 24,000 |
| Hosiery (Woollen), | 288,000 | 79,000 |
| Smallwares, | 447,000 | 48,000 |
| Alpaca Yarn, | 662,000 | 212,000 |
| Unenumerated Manufactures, | 4,400,000 | 590,000 |
| Brandy, | 2,155,000 | 2,117,000 |
| Unenumerated Spirits, | 59,000 | 26,000 |
| Perfumed Spirits, | 64,000 | 27,000 |
| Wine, | 5,365,000 | 2,472,000 |
| No Arms; no Ammunition; no Carriages; no Cotton Hosiery; no other Hosiery; no Lucifer Matches; no Plumbago; no Salt; no Manufactured Tobacco; no Umbrellas. | | |

D.

REPORTS ON THE WORKING OF THE FRENCH TREATY (1878).

The following are extracts from "Papers relative to French Industry and Commerce, presented to the House of Commons, 1878." The whole Blue-book is full of suggestive information :—

RIBBON TRADE.—*Statement made by Mr. William Andrews, Ribbon Manufacturer, of Coventry, at the Foreign Office, London, January 11, 1877.*— . . . During the last seventeen years England had admitted all kinds of French ribbons without any duties whatever, and that the effect on the Coventry trade had been most disastrous, it being now reduced to one-half of what it was prior to 1860, whilst, at the same time, the value of our imports of foreign ribbons had been considerably more than doubled. It was, therefore, self-evident that the French ribbon manufacturers could not possibly have anything to fear from English competition ; and he therefore asked, as a matter of justice and common fairness, that the duties on all ribbons going into France should be absolutely abolished, and the more especially as the present duties, although small, were quite prohibitory.

French can
compete.

ELASTIC FABRICS.—*Derby Chamber of Commerce Deputation.*— . . . Subjecting them to such a high percentage of duty as to virtually close the French market for English elastic terry webs. . . . The English manufacturer, who is no longer able to compete in France, in consequence of the anti-reciprocal and unjust duties levied upon English elastics.

English
maker can-
not compete.

LINEN AND JUTE TRADES.—*Memorandum by the Dundee Chamber of Commerce.*— . . . The Treaty of Commerce presently in force has been of no service to the trade of this district ; our trade with France is very small, and not on the increase. The cost of a mill and spindle and of a power-loom factory, however, is not dearer in France than in Dundee ; here the cost is roughly about £12 per spindle and £120 a loom. It is stated on good authority that the cost would be less in France. French machine-makers have offered to supply Scotch spinners with spinning machinery delivered here as cheap as it could be supplied by the makers on the spot. . . . Coal is the only item in the cost of production which is cheaper in Scotland than in France. . . . *Yarns.*— . . . The French spinners have been able not only to compete with, but to beat, the Scotch spinners in their own markets, and this after paying for the expenses of transit, insurance, and commission for selling. . . . The export of yarns from Dundee to France has been so utterly insignificant as not to be worth mentioning. . . . *Tissues.*— . . . French manufacturers compete with our own goods, it may be mentioned that they do so most successfully with our

French com-
pete.

export merchants in many foreign markets. . . . The Chamber begs to state that since the Treaty of 1860 was established, the working hours in this country have been reduced from sixty to fifty-six, ^{Hours of labour.} whereas in France they have remained stationary at seventy-two; further, that wages in this country have very considerably advanced, in some cases nearly doubled, whereas in France they have not advanced to the same extent, nor are the French manufacturers subject to a Factory Act, which is very rigidly applied in this country by the inspectors appointed by the Government for that purpose; nor are they, on the other hand, subject to the influence of Trades' Unions.

GLASGOW TRADES.— . . . The Glasgow Chamber of Commerce and Manufactures. . . . A material reduction of duties at the ports of France will be necessary to enable Scotch manufacturers to carry on a trade of any importance in the export of goods to that country. . . . There are a number of firms in Glasgow engaged in importing palm ^{Palm oil.} oil and other products from Africa. . . . The Chamber strongly recommends that the differential duty of 42 fr., as against 10 fr. only if imported direct, should be abolished.

Fine Cotton Yarns.— . . . In consequence of the high duty levied ^{Textiles.} on the importation of fine yarns into France, little or no trade has been done by our Scotch spinners.

Gauzes, Muslins, Tartatans.— . . . Exported largely, more or less, to all markets, except that of France. . . . The French compete with us in our own markets.

Mixed Textile Fabrics.— . . . A very limited trade has been done ^{French can more than compete.} in the export of these goods from Glasgow to France. . . . Their keenest competitors in the London, Manchester, Bradford, and Glasgow markets, clearly showing that they can produce goods, particularly woollen dress fabrics, quite as cheaply, and more successfully, than the manufacturers in this country. Abundant proof of this may be found in the large yearly increase of imports of these goods from France to Great Britain.

Sewing Threads.— . . . We cannot in the face of the cheaper labour and longer hours of work satisfactorily compete; in fact, so far as cost of production is concerned, there is no reason why the French manufacturer should not be able to produce more cheaply than here.

Printed and Dyed Goods.— . . . In the opinion of your Committee, the duty on printed or dyed goods should be in France the same as the duty charged on French printed or dyed goods on passing through the Custom-houses of Great Britain.

Chemicals.— . . . The gathering of kelp on the coasts of Scotland and Ireland affords almost the only means of sustenance to large ^{Scotch and Irish kelp.} numbers of the poorer population on these shores; wherefore, we submit that there are even higher considerations than the maintenance of a branch of trade to be taken into account when combating the proposed duties.

British Mineral Oils.— . . . Under the French International Treaty of 23d January 1860, British mineral oils were admitted into France on payment of 5 per cent. *ad valorem* duty. The Treaty was for ten

years, with one year's notice on either side thereafter. In consequence of intimation by the French Government, it expired legally on 15th March 1873. In July 1871, however, it was violated by the application to British oils of a duty of 37 francs per 100 kilog., no duty whatever being at the same time levied on French mineral oils. This advance was equal to about 1s. per gallon, and stopped all importation. The Treaty of July 1873 specifies an *ad valorem* duty of 5 per cent. on British oils, together with 5 francs per 100 kilog. on crude oil, and 8 francs per 100 kilog. on refined oils, or such other duties as might be imposed on French oils, these latter duties having been exigible on French oils from 16th September 1871. The Treaty states that that of January 1860 is again to be put in force, thus contemplating, as before, merely a differential rate of 5 per cent. *ad valorem* duty, or about 2·50 francs per 100 kilog. The result, however, by the French application of the Treaty, is widely different from this. . . . The great distance from Scotland to the centres of population in France, and the considerable freights which would thus have to be paid on mineral oils imported into France, would entirely prevent that competition from being disastrous to the French manufacturers.

Pig, Cast, and Malleable Iron.—The French Conseil Supérieur is to examine the Customs duties in a conservative, but progressive spirit, and is to substitute for the existing general Tariffs duties sufficiently moderate for putting in force, but high enough to leave the French negotiator with foreign countries a margin for advantageous concession. . . . The annual importation into France from all countries, and in particular those from Scotland, have been, on the whole, decreasing, whilst the production of pig iron in France has gradually materially increased. . . . The cost of production has been seriously and permanently increased, from the gradual exhaustion of the original mineral fields on and near which the iron works were erected, necessitating the working of thinner seams and bringing supplies from greater distances, and also the importation of ore from foreign countries; and therefore the measure of protection which the French then stipulated for as sufficient is now quite unnecessary. If, therefore, the French Minister gives his advice, that "the French negotiator with foreign countries should have a sufficient margin at his command for advantageous concessions," that "pig iron should form a matter of special consideration; that the import duty should, on an average, not be higher than about equal to 10 per cent. *ad valorem*, and, above all, that raw materials should be entirely free of duty," we think we have made out a good case for demanding the admission of pig iron into France entirely free of duty. . . . The duty on cast-iron pipes is practically prohibitive of their importation into France, if of large sizes, or in any considerable quantities. Only one important contract has been taken in this country, and that immediately when the Treaty was made, and by way of experiment. It resulted in serious loss. . . . Manufacturers of iron tubes in France have an advantage of 15 per cent. in labour. . . . Permit us to draw your attention to the system adopted and prevailing in France, of the *acquits-à-caution*. This is a very complicated system,

Mineral oils.

Exports of iron decreasing.

Margin for concessions.

Duty on pipes prohibitive.

Labour in France cheaper.

which, to make it easily understood, we think we will not go far wrong in representing as being a permission to work cast as well as malleable iron under bond, without paying duty thereon. At first sight, this would appear as an advantage for us, but in reality it is not so ; for by means of these *acquits-à-caution*, a French manufacturer may use French cast or malleable iron for producing articles for exportation, and get against it a certificate to import an equal quantity of English iron free of duty ; these certificates he sells to the trade at a few per cent. cheaper than the actual duty. This is almost tantamount to a drawback in favour of the French manufacturer, who, as labour is cheaper in France than in Great Britain, thus becomes a strong competitor in foreign countries.

Abuse of
*acquits-à-
caution.*

LEICESTER TRADES.— . . . The Leicester Chamber of Commerce report—

Worsted and Lambs' Wool and Merino Yarns.—A very large trade is done here in Leicester by French spinners in competition with our own local producers, and also against the Yorkshire spinners, who largely supply this market.

Hosiery and Fancy Hosiery.— . . . As France possesses cheaper labour, and raw materials at least as low priced, it is self-evident that all duties are protective and tending to prohibition, not £500 per annum being exported to France from Leicester in the three classes in question ; on the contrary, large purchases being made by Leicester of French yarns, and by the customers of Leicester in London and elsewhere of French hosiery. . . . Large quantities of yarn are imported from French spinners, to be manufactured into these classes of goods. . . . The cost of coal forms so infinitesimal a portion of the whole that it can scarcely enter into the calculation. . . . The rate of wages generally in England is higher than in France. This we believe will be at once admitted, for in the reports of the French Chambers to the Government inquiries we do not find anywhere the argument that French workmen receive higher remuneration than the English. This silence is significant, as the matter would have been prominently put forward had circumstances permitted it. . . . This duty proves entirely prohibitory. . . . Leicester manufacturers have as yet received no opportunity of entering into France. . . . The true state of affairs is well known to the French Chambers of Commerce. In the "*Rapport sur la Laine*," by M. A. Balsan, we find at the commencement:—If some of its branches yet painfully strive against their rivals, others, on the contrary, strong through their constant ability and their old reputation, defy all foreign competition. . . . "*Bonneterie*" . . . As the present duty is prohibitory, we need not say more on this head. Whether things remain as they are, or the additional tax now proposed be levied, it is all one to us.

Coal.

Duties pro-
hibitory.

Elastic Woven Tissues.— . . . This excludes most of these goods. . . . The kind required cannot enter to any great extent, being excessively taxed. . . . The result of the whole is to show that specific duties are so oppressive that the articles required for popular use cannot enter.

COTTON TRADE.— . . . *The Manchester Chamber of Commerce.* . . .

Coal.

French
wages lower,
and hours
longer.

Present
Treaty un-
friendly and
unjust.

Effects of
Treaty.

We are at a loss to understand on what grounds the French spinners and manufacturers allege they are unable to compete with the rivalry of our own country. . . . Coal can be obtained from certain districts, including shipment, at prices nearly corresponding with the rate we pay ourselves. The weekly wages of the operatives are admittedly lower in France than in England; and when we remember that our mills are only permitted by law to work 56½ hours to the week, while in France it is the practice to work 66 to 72 hours, we are placed, in this respect, at a great disadvantage for cheapness of production. . . . A Treaty of Commerce, to be reciprocal and just, should cultivate an interchange of the commodities which are best produced by each of the contracting parties, but this end has not been attained in the present Treaty. . . . The Treaty has been unfriendly and unjust towards certain branches of our trade. . . . The Treaty, which can only be regarded as a partial and experimental application of free-trade, has resulted in an increase from £9,000,000 sterling to £27,000,000 in our exports, and from £13,000,000 to £46,000,000 in our imports, comparing the year 1860 with 1875. . . . The sales of our production to France amount only to 58 per cent. of the value we purchased from them. . . . If we deduct from the amount we sent to France, namely, £27,292,455, the value of raw materials, as cotton, wool, and silk, no part of which has been grown in our country, or has in any way found occupation for our manufacturers, representing £10,429,005, the amount of our exports is reduced to £16,863,450. . . . Apply the same process to the imports from France, . . . the amount of their exports to us, £45,740,632. . . . The small amount of our exports of cotton manufactured goods to France proves that it must have suffered from an unfair and unreasonable restriction. . . . In 1875 nearly £10,000,000 sterling of silk goods alone. . . . The following interesting details are supplied from nine of the chief home-trade firms in London and Manchester:—In reference to one firm, in 1860 it employed only two travellers to visit the French markets to make purchases, but in 1875 the number was increased to eight, and the amount of turnover increased to £500,000 or 12,500,000 francs in the year. In another instance the number of travellers increased from three to fourteen, and the turnover increased proportionately. In a third instance, the business increased from £20,000 sterling in the year to £200,000. In all the other instances the growth of business has been to a similar extent, multiplying the turnover manifold since 1860. These firms, whose headquarters are in London or Manchester, have establishments also in the chief towns of France, possessing all the facilities for distributing our goods in their markets, but they complain that the restrictive operation the present tariff causes such dealings to be of a very insignificant amount. They urge that it would be a hardship to allow the Treaty to continue on a basis so prejudicial to the producing classes of our own country. . . . We hailed the day when the Commercial Treaty with France was established as the first great step in that country towards the consummation of commercial freedom. . . . Although the Treaty of Commerce was solely due to

the efforts and concessions made by England, she has not derived more benefit from it than other countries. In 1859 England's share in the total trade of France was 22½ per cent. ; in 1875 it was still under 23 per cent. . . . A duty of 10 per cent. completely collected is really equal to 25 per cent. protection upon the workmanship.

EARTHENWARE AND CHINA.—*The North Staffordshire Chamber of Commerce.*— . . . The small quantity of ceramic goods imported into France from this country . . . when added to the Government duty, they form a charge which is fast becoming virtually prohibitory. . . . French china imported into England free of duty is being regularly sold at lower prices than those at which English manufacturers can produce the same class of goods. . . . The export of English ceramics to that country will, at no very distant period, almost, if not entirely, cease. . . . A specific duty, however small, levied on the cheapest and commonest kinds of earthenware, would virtually be prohibitory.

Decline of earthenware exports to France.

SALT TRADE.—*The Salt Chamber of Commerce, Northwich.*— . . . Runcorn is chiefly frequented by French craft, as they mostly draw but little water. Reciprocity is not practised by the French Government in this salt question. England takes a very considerable amount of salt from the Sel Marais for her pilchard fisheries at the Cornwall coast, and admits it duty free; whereas France will not allow us to enter our salt at all by English bottoms into France. . . . Mr. Cobden was promised the admission of salt on easy terms to make trade practicable, and he gave way in the wine duties considerable points, which were to form the equivalent for the promised admission of salt. Seventeen years are gone, but France has not redeemed her promise.

Advantage as to salt enjoyed by France.

Promise given to Mr. Cobden.

NAVIGATION QUESTIONS.—*Southampton Chamber of Commerce.*— By the Treaty concluded between Great Britain and France on the 23d July 1873, a tax, called the "Surtaxe de Pavillon," was abolished, and goods can now be brought direct from countries of production in British ships subject to the same Customs duties as by French vessels. The "Surtaxe d'Entrepôt," an additional duty on goods imported indirectly from the country of production—that is, from having been purchased in some European market, or by transshipment at any European port *en route*—is still levied. . . . It is actually a heavy tax imposed on British shipping by France, to which French shipping is not subjected by Great Britain.

Surtaxe d'Entrepôt.

WOOLLEN AND WORSTED TRADES.—*Yorkshire Chambers of Commerce.*— . . . France imported in—

| | 1861. | 1875. |
|-----------------------|-------------|-------------|
| | Fr. | Fr. |
| Raw Wool, | 168,775,000 | 350,438,000 |
| Wool Yarns, | 2,210,000 | 18,703,000 |
| Mohair Yarns, | 5,680,000 | 11,781,000 |

France trade in woollens.

... and France show still more remarkable signs of ... In 1861 there were 6,563,000 fr., and in ... an increase of 100 per cent. . . . For a given ... an time a less outlay of capital in machinery ... than in England. . . . On the question of labour ... were the weekly wages paid in France con- ... be paid for similar work in England, but that ... be ordinarily worked in the one country against ... that some ... the cost of labour in France ... less than in England. . . . To the usual ... the British workman did more work in 56½ ... workman in 72 hours it may be replied that that ... the case of the well-paid English navy ... whose productive power depended entirely on the ... physical force: but that in the manipulation of textile ... the steadiness of hand, quickness of eyesight, and care- ... of more consequence than the exercise of force, it is ... understand how the British workman can do more than ... it must be remembered that machines never tire, and ... work in the seventy-second hour as in the first. . . . was necessary at all, it might be claimed by the British ... against his French rival who possessed so many ... him. . . . The imports are very small as compared

| Wool-tissues. | Imports. | Exports. |
|---------------|------------|-------------|
| ... | 13,721 | 3,203,137 |
| ... | 3,977,500 | 4,886,116 |
| ... | 2,500 | 264,660 |
| ... | --- | 60,926,180 |
| ... | 14,582,000 | 71,916,199 |
| ... | 4,027,000 | 83,033,052 |
| ... | 2,027,000 | 12,095,720 |
| ... | --- | 16,403,221 |
| ... | 2,451,000 | 14,114,273 |
| ... | 4,160,500 | 16,041,259 |
| ... | 46,186,600 | 74,200,070 |
| ... | 28,240 | 648,641 |
| | 77,972,360 | 357,732,528 |

... of which the imports approach ... namely, mixed tissues. . . . The ... we do, and, in some cases, earn ... time. The worsted manu- ... extent, spread over so large ... established, so wonderfully

increased, and still evidently increasing, so admirably organised, worked with such skill, intelligence, and industry on the part of all concerned, such a minute attention to detail and an aim at perfection in every process, as account for, and justify, its remarkable success, and cannot but render France a formidable competitor. . . . In France the Chambers of Commerce are under the direction of the Minister of Agriculture and Commerce, who is their head. They meet twice a month, or oftener if specially summoned, to reply to any question submitted by the Government, and to occupy themselves with such commercial matters as interest the district, and to memorialise the Government thereon. In towns which are too small for a Chamber of Commerce, or in large towns where the want of an additional commercial organisation may be felt, a voluntary and unofficial Association is sometimes formed, for very similar objects, under the title of "Société Industrielle." . . . The advantages which France gained from it have surpassed the most sanguine expectations of its authors. Two instances will suffice: the consumption of French wines in England was a luxury of the rich in 1859, and only 695,913 gallons of it were entered for consumption, while 5,078,822 gallons paid duty in 1875. . . . France exported in 1861, for 187,999,000 fr. of wool tissues, and in 1875, for 357,732,000 fr., against imports of 77,972,630 fr. from all quarters, while an almost entirely new trade has been created by the export of wool yarns, which, in 1861, was only to the amount of 6,563,000 fr., and reached, in 1875, the sum of 40,169,004 fr. . . . Roubaix, whose competition is already materially interfering in our home markets with the sale of such goods, for which we long possessed a virtual monopoly. . . . I have obtained no information on blankets, as none are exported to France under the 10 per cent. duty, while a moderate quantity of French manufacture is imported.

Perfection
of French
industry.

French
Chambers of
Commerce

Gain of
France from
the treaty.

AGRICULTURAL MACHINERY.— . . . Since 1865 there has been a steady decline, until in the five years ending 1875, they amount to an average of only 7780 tons, against a total export to all countries of 1,599,089 tons per annum. . . . The competition of Continental countries with each other, and with us, for the trade of the world in all its branches is daily becoming more intense—Germany, Belgium, and even Switzerland are becoming from year to year more formidable rivals to France. . . . French ironfounders have competed successfully with our great Scotch and Cleveland establishments for the supply of cast-iron pipes to Germany. . . . France is already providing Bessemer rails for Russia and other neutral countries.

French
competition.

PERFUMERY, ETC.—*Remarks offered by John Gosnell and Co., London.*
— . . . Transparent soap enters the United Kingdom without paying Customs duty, whilst the English manufacturer has to pay duty upon the spirits of wine used in the production of this article; this is a gross injustice. [This, I think, is rectified.]

PAPER TRADE.—Mr. Evans, . . . as Chairman of the Association of Paper Manufacturers of Great Britain and Ireland. . . . In Fr

Paper trade. a duty of £1, 12s. per ton is still levied upon the export of rags, which is equivalent to an *ad valorem* duty of five per cent. upon the better qualities, and of ten per cent. or more upon the lower qualities of rags. A still higher duty is levied upon partially manufactured rags. On the other hand, the duty upon English paper imported into France is £3, 4s. per ton, in addition to the amount of the excise duty levied in that country. While British-made paper is thus heavily taxed on coming into France, the importation of French paper and paper-hangings into England is free, and has of late years amounted in value to nearly £300,000 annually.

FANCY BISCUITS.—*Peck, Frean, and Co.* . . . In Brussels, with a smaller population, the trade is three or four times the extent of that of Paris.

TIN-PLATES.—*Peat, Chattock, and Co.* . . . English merchants are actually excluded from the French market in some most important branches of the trade, and are seriously impeded in all. . . . The law ordains that the identical goods so passed duty-free shall be exported, but omits to provide any machinery to inspect the factories during the course of manufacture. It is notorious that some French firms, who, by reason of their wealth, are able to obtain the necessary bankers' security, instead of exporting the identical material imported and passed through the Customs free of duty, are in the habit of manufacturing goods of inferior quality, plates of similar thickness made in France, and exporting them *à l'équivalent* against the superior foreign material obtained free of duty.

TIN AND TOLE PLATES.—The tin-plate manufacturers of Great Britain beg permission to submit the following facts. . . . Of the large quantity thus exported, the proportion sent to France is comparatively trivial. . . . By far the largest item consists of plates shipped to Havre in transit to Switzerland. . . . Whilst the Treaty of Commerce was intended to promote trade between the two countries, it fails to do so in this case, except to an extent quite insignificant.

PLATE GLASS.—A duty upon English glass which has proved prohibitory. . . . The English manufacturers have, during the last sixteen years, complained of the unequal and disadvantageous position they are placed in through the levying in France of a duty upon their glass, which, while it has produced no revenue whatever for the French Government, has been detrimental to English interests by effectually preventing reciprocal trade in glass with France. . . . France supplies free of duty a considerable proportion of all the plate-glass used in the United Kingdom, which circumstance the English manufacturers consider gives them a claim to the same facility and advantage being accorded them; that is to say, by being allowed to import their glass into France upon the same terms as French glass is admitted into this country, namely, duty free.

Reports made by delegates of British Chambers of Commerce of their visit to France to inquire into the state of French industry :—

Report on the Woollen Cloth Manufacture of France, by Mr. Joseph Wrigley, Huddersfield, and Mr. Charles E. Bousfield, Leeds. . . . If, in one country, machinery is worked seventy-two hours per week, and in the other fifty-six and a half hours, it is obvious that there is a great difference in the amount of capital to be invested in the machinery and buildings in the two countries to produce the same amount of work in the same time. We shall presently show that, in this respect, there is a very considerable difference in favour of the French. . . . We believe, also, in some other branches of labour, where determination and energy are required, the British workman, if willing, is superior to any other, and will do a greater amount of work in a given time. We are obliged to say "if willing," for unfortunately in these days we are not unaccustomed to hear of what are called "trade rules," limiting the amount of work to be done by a man, or, in other words, depriving him of the benefit of the natural advantages of strength, health, and energy. . . . In all operations requiring nicety and dexterity, rather than application of force, we must concede superiority to the French. . . . In other words, all things considered, we estimate that labour in France costs one-fourth less than in England; or, conversely, we would say that English labour is *one-third more costly than French*. . . . As to markets, the whole of France and her colonies and the whole of England are open to the French for their woollens, without any duty whatever. In this they have an advantage over us. A point always urged as being so much in our favour is the very large consumption of manufactured goods by our colonies. But it must be borne in mind that the self-government granted by Great Britain to her colonies includes the management of their own fiscal affairs, without any stipulation for preferential admission of the products of the mother country, the result of which is, that exactly the same import duties are levied on British as on French or any other foreign goods.

In nearly all countries which import woollens, France is a very keen competitor with England. In some markets she has to a considerable extent displaced us. In South America, for example, which we have before alluded to, her manufactures have largely superseded our own. . . . In labour they have an enormous advantage. Taking into account the hours worked, the amount paid, and the work done, we estimate our disadvantage at one-third. In fact, in judging of the relative position of the industry in the two countries, so great is the difference under this head, that all other considerations might be regarded as comparatively insignificant. . . . As for markets, the whole world is open equally to French and English manufacturers on the same terms. Nowhere, not even in our own colonies and possessions, have we the least advantage over the French, a statement which cannot be made by France in respect of her colonies and English pro-

Longer
hours of
labour in
France.

Its superior-
ity.

The colonies

French
competition
displacing
us.

Inequality
of area.

ductions. . . . The total exports of woollen and worsted yarns and manufactures were for—

| | | |
|-------|-----------|-------------|
| 1873, | | £30,743,371 |
| 1874, | | 28,359,512 |
| 1875, | | 26,758,632 |
| 1876, | | 23,020,719 |
| 1877, | | 20,943,981 |

On the other hand, the imports year by year increase. . . . There are other signs of the rapid progress and marvellous prosperity of the French woollen industry which are worthy of notice.

Report to the Associated Chambers of Commerce of the United Kingdom on the Iron and Hardware Trades of France, by Frederick Brittain. . . .

It had been imagined that the great reduction in duties would open the French market to English iron and other productions, but events soon proved that French makers only required the stimulus of a wholesome competition to compel them to adopt improved methods of manufacture, and so to extend their production that they soon required no foreign aid to enable them to supply their domestic demand. . . . It may be worth while to inquire whether the cordial acceptance of the principles of free-trade requires us to admit free of duty costly luxuries which are consumed exclusively by the wealthy, while we tax tea and coffee, which supply us with harmless beverages of universal consumption. We may doubt whether, at a time when the accumulated wealth of the upper classes has created an extravagance of which our forefathers were ignorant, it is wise or just to obtain our Customs revenue from articles which are consumed equally by rich and poor, and which supply an antidote to the frightful bane of drunkenness. . . . Have we the same interest in cheapening silks, satins, kid gloves, and wine?

Luxuries.

Wine duties. . . . When the Treaty of 1860 was negotiated, France laid great stress upon the necessity of a reduction of the wine duties, and the English negotiators made an immense concession, in the hope, no doubt, that if the rich consumer of wine found his advantage in a cheapened luxury, the poor artisan would find compensation in obtaining a market for his labour. The advantage to the wine drinker has been permanent; the effect upon the workman is best indicated by the following tables of exports and imports. . . . In the year 1875 the value of the wine, kid-gloves, and silks imported from France was £14,553,152, whereas the value of all British produce exported to France, excluding coal, was £13,740,000, and including coal £15,357,000. But even these figures fail adequately to show how unfairly the present French Customs duties act upon English manufacturers and workmen. . . . In Spain, symptoms of dissatisfaction have shown themselves, and it is probable that the maintenance of the present scale of duties may, at no distant date, serve as a pretext for reprisals.

Spain.

Report by Messrs. Barbour and Jaffé to the Council of the Belfast Chamber of Commerce.—YARNS.—1. In low numbers, up to and including 30's lea, French spinners are in a better position than we are in this country, which is sufficiently proved by the fact that they sell

these numbers in this district, while we are never able to sell them there. . . . We therefore urge the Chamber of Commerce, as well as our Trade Associations, to do everything in their power to have our manufactures admitted free of duty, France being fully able to produce linen goods as advantageously as we are.

E.

MR. BRITTAIN'S PRINTED LETTER TO THE ASSOCIATED CHAMBERS OF COMMERCE.

Mr. Brittain, who represented Sheffield interests in the inquiries that led to the foregoing Blue-book, made a valuable report in a separate volume, published by Simpkin, Marshall, and Co., on *British Trade and Foreign Competition*. Having been favoured with a copy, I present the following extracts, for the full force of which the volume itself must be referred to :—

“ In the year 1876 the Conseil Supérieur du Commerce of France commissioned two of its members—Messrs. Raoul-Duval and Balsan—to visit Great Britain, for the purpose of investigating the condition of the textile industries of this country, in order that when the Treaty negotiations between the two countries were resumed, the French Government might be able to estimate accurately the strength and character of British competition. . . . It appeared to some members of the Associated Chambers of Commerce that a similar inquiry ought to be made by British manufacturers into the condition of French industries. . . . The duty of representing the iron and hardware trades devolved upon me, and I visited France. . . . The prosperity and happiness of the nation depend to a great extent upon the maintenance of our commercial and industrial supremacy, and the Chambers of Commerce cannot be more usefully employed than in endeavouring to discover when that supremacy is threatened, and how it should be defended. . . . I ascertained that foreign houses were buying from France, Germany, Belgium, and other countries goods which they formerly bought from England. . . . The returns of our annual statement of trade showed a corresponding decline in our own exports. This led me to believe that there had been a considerable displacement of trade, and that foreign countries were supplying what we used to supply. Subsequent investigation has abundantly confirmed my suspicions. . . . It is certain that many goods which are exported from Great Britain as of domestic produce and manufacture are really of foreign origin. The following figures show . . . the exports described as of domestic produce or manufacture bore in 1874 :—

Industrial
supremacy.

Transference
of trade from
England.

Some
articles
exported
are foreign
made.

| | | | | |
|---------------------|---|---|---|--------------|
| From Great Britain, | . | . | . | £239,550,000 |
| „ France, | . | . | . | £148,044,000 |

Advantages
Britain
possessed.

. . . To what extent foreign merchandise helps to swell the total of so-called home produce and manufactures it is obviously impossible to ascertain. . . . There is extreme danger that while we gaze with complacency at the fruits of past successful toil, we may mistake the income derived from capital for revenue resulting from commercial transactions, and regard with indifference or contempt the efforts of foreign competitors to secure a part of the trade which has enriched us. Our start in the world, our immense merchant navy, and our important colonies and dependencies, give us an advantage over any of our rivals. We are like an old established house with a large capital competing with young houses without capital; but all these advantages may be neutralised if they conceal from our view the first indications of industrial decay. . . . Since 1872 the excess of imports over exports has increased with great rapidity. . . . It seems clear that we are spending a larger proportion of our income than formerly, and saving relatively less. . . .

| GREAT BRITAIN— | | 1867. | 1876. |
|----------------|--|--------------|--------------|
| Imports . . . | | £275,183,000 | £375,154,000 |
| Exports . . . | | £225,802,000 | £256,776,000 |

Naval
supremacy.

. . . Our merchant navy is the offspring of our foreign trade, and the loss of the one would probably entail the loss or the transfer of the other. To our naval supremacy we owe our greatness, and that supremacy is maintained by sailors to whom the mercantile marine has been a nursery. The loss of our naval supremacy would probably soon succeed the loss of our mercantile marine, and our position among nations would be completely changed. . . . It is perfectly true that the world could not dispense with the production of Great Britain suddenly without great inconvenience, and of course no sane man believes that our foreign trade will be lost at one swoop; but if ever, through any cause, any large part of it were lost, and our own manufacturing prosperity transferred to other countries, capital would be quickly diverted, for British capitalists would prefer safe investments in solvent, lucrative works in foreign countries to unsafe investments in decaying concerns in England. Working men would also follow their trades, and the large number of British workmen now found in foreign workshops would be enormously increased. . . . It has been sometimes affirmed that a remedy for the evil might be found in wholesale emigration; but it is probable that such a remedy would aggravate the mischief. If working men emigrated in large numbers to our colonies they would carry their handicrafts with them, and it is probable that within a few years manufactories would be established which would, by the aid of protective duties, compete with those of the mother country, and we should lose a large part of our best and most promising trade. It is to our colonies that we must look for the future great markets for our goods. It is in fact the health and vigour of our colonial trade which has helped to conceal from superficial observers the very serious inroads which competition has made into our foreign trade. . . . Our exports to the colonies rose from £60,000,000 in 1872 to £64,000,000 in 1876, while those to

Loss of
workmen.

Many settle
abroad.

Colonial
markets.

foreign countries fell from £195,000,000 to £135,000,000 in the same time. . . . The large Blue-books, etc., containing the report of the Conseil Supérieur of France, show that the French negotiators tax their ingenuity to discover the lowest possible duty that will effectually protect native manufacturers. If ten per cent. is sufficient for the purpose, they are not so indiscreet as to suggest the imposition of forty per cent. It is easy thus to conceal the deadliest protection under the veil of free trade. . . . But France has to argue with Spain, Portugal, Italy, and the United States, and it is amusing to read the arguments which she uses to convince them of the impropriety of closing the door to her, while she is doing the same to other nations herself. . . . The relative value of our trade with France and some other countries in Europe and with our colonies is not indicated by the aggregate turnover. France takes from us to a comparatively small extent manufactured articles in the production of which labour is a principal element, and the advantage of selling to her coal, raw metals, etc., is questionable. On the other hand, England, which allows no artificial obstruction to interfere with the free flow of trade, takes from France in immense quantities those articles in the production of which labour is largely employed, such as silks, gloves, lace, fancy goods, besides brandy and wine, the importation of which is in some cases a questionable advantage. . . . The United States compete with us in our colonies upon far more equal terms than any country in Europe, and we find that they are not slow to utilise their advantages. . . . Our exports to foreign countries . . . in 1877 were scarcely higher than in 1867. . . . It is painful to compare our own progress during the decade with that of foreign countries. The contrast since 1872 is most striking. . . . The exports of Belgium, Italy, and the United States were greater in 1876 than in 1872. . . . Notwithstanding the repeated assertion that other countries are suffering from the same cause that has produced the depression in England, we are alone in losing any great part of our exports. . . . While our own export trade, of whatever it may be composed, is declining, that of many foreign nations is rapidly expanding. . . . In Alsace and Lorraine, . . . a great part of the greatest iron-producing department of France—the Moselle—was lost, but the energy of the French soon repaired the disaster, and the production of pig iron, and iron which had been in 1869, 2,284,000 tons, was 2,247,000 tons in 1873. . . .

Ingenuity
of French
negotiators.

Britain takes
from France
goods
employing
much labour

Exports of
other
countries are
increasing.

The United States. Till recently that country was an immense purchaser of British manufactures, and few people expected to find her a competitor in neutral markets, and even in Great Britain. Hitherto American exports of manufactured articles have not been important, but those who know the excellence of some of the productions of the United States will recognise in her a formidable antagonist in her infancy. . . . There is one feature in the competition of the United States which makes it exceptionally dangerous to Great Britain. It is directed especially against the trade with our colonies, which is secure from attack from any other quarter. . . . The enormous commerce of England has always been the envy of foreigners, and the exhibition of 1851, etc., which flattered the vanity of the English,

United
States.

taught solid lessons to our rivals, which they were not slow to utilise. Since that time a practice has extensively prevailed among foreign manufacturers of employing English workmen, and now in a large number of manufacturing towns throughout the world, colonies of British workmen may be found who have carried their skill with them, and who impart it to their new *confrères*. Some of the largest works in foreign countries have been founded, and successfully conducted, by British immigrants. Another reason for the falling off in our trade may be found in the numerous strikes and lock-outs which have taken place during the last few years. Strikes frequently occur at a time when demand is increasing and when masters are supposed to be most vulnerable. It is precisely at that moment when both masters and men ought to make every effort to supply the demand and keep possession of the market. A long-continued interruption may be fatal to the interests of both, because when the world wants goods it cannot wait till English employers and their workmen have settled their differences. . . . In the years 1871-73, when English working-men could earn in four days or less as much money as they had been accustomed to earn in six, they were content in too many cases to work only four days. . . . At the same time the French, who had been taught industry by adversity, were repairing the disasters of a great war by working twelve or fourteen hours a day. They and other nations spared the world the inconvenience which otherwise might have resulted from the idleness and intemperance of British workmen. Foreign goods were bought in many cases where English goods would have been preferred; but when once trade has been diverted it is difficult to draw it back into its old channel, and it is to be feared that many English working-men are now paying the penalty of their former thoughtlessness. . . . France produces iron now for home consumption, and the hope which was entertained by the negotiators of the treaty of 1860, that she would furnish us with a great market for our iron, has not been realised. . . . It is to be feared that there was a deterioration of quality in many articles of British manufacture in the years 1871-73. In periods of great activity there is always a tendency to hurry work, and efficiency is sometimes sacrificed to speed. . . . It has been frequently affirmed that England has derived immense advantage from free-trade. . . . Our experience has been gained under conditions which have either already ceased to exist or which are now passing away. . . . No arrangement can be permanently satisfactory which inflicts great injustice upon a large body of English manufacturers and working-men. It is not by signing treaties which sanction the most baneful kind of protection that Great Britain can best promote the interests of free-trade. . . . It soon became apparent that under the stimulus given by the treaty France would learn to hold her own. . . . At the present time, seventeen years after the conclusion of the treaty, notwithstanding the fact that France has lost several of her most prosperous departments, we buy from France manufactured articles prodigiously in excess of those which we sell to her. . . . The low wages, long hours, and the absence of restrictions as to the labour of

Colonies of
British
workmen.

Strikes.

Effect of
high wages.

Disap-
pointed hope
as to iron.

Scepticism as
to free-trade
and treaties.

women and children, give, as far as the immediate economic result is concerned, a great advantage to France. . . . In order to obtain concessions from France, we made the dangerous experiment of entirely changing our policy with regard to the wine and spirit duties. . . . The arrangement favoured France in every respect. . . . In 1867 the Portuguese Government concluded a treaty with France with the avowed intention of compelling the English Government to alter the alcoholic scale. It was in vain that Lord Stanley, in his despatch of March 18th, 1868, appealed to the fourth article of the treaty of 1842, which was supposed to insure to Great Britain favoured-nation treatment. The Portuguese Government was inflexible, and subsequently concluded treaties with Turkey, Austria, and Germany, under which the merchandise of those countries were admitted into Portugal upon the same terms as those of French manufacture, while those of British origin were subjected to duties in some cases three or four times heavier. . . . On the 15th May 1872, Mr. Consul Brackenbury, in reply to an inquiry from the British Foreign Office, wrote as follows:—"The Franco-Portuguese treaty of commerce has been the death-blow to many British manufactured articles of a nature to compete with French goods. I also mentioned that from this cause British imports of cotton, woollen, and silk stuffs, and of ironmongery, had sustained a serious falling off, and I referred to the fact that German goods have in this market to a great extent superseded articles of the same kind which were formerly imported almost exclusively from England." . . . It was not till 1876 that British goods were admitted at the same duties as those of the favoured nations, and it is probable that the Portuguese Government made the concession, rather with the view of stopping the introduction of British goods, under a false designation, than from a sense of the deplorable injustice to which we had been subjected. The example which was set by Portugal in 1866 has recently been imitated by Spain, and under the new tariff British manufacturers find their produce saddled with duties in many cases far in excess of those paid by their competitors. In his explanatory report upon the new Spanish tariff of July 17, 1877, Sir J. Walshaw, Bart., Her Majesty's chargé d'affaires at Madrid, informed the British Foreign Office that the Spanish Minister of Finance . . . proceeded in words almost identical to those which had been used ten years before for the same purpose by the Portuguese Government:—"If this prove insufficient to procure for Spanish commerce most-favoured-nation treatment, the Government should then be empowered, not only to exclude from participation in the benefits of the revised tariff any nation which hindered that commerce, but also to impose upon their produce, manufactures, and ships, differential duties." . . . While British produce has been exposed to these heavy differential duties, French manufacturers have been encouraged by bounties upon exports in the form of "acquits-à-caution," and sugar refiners have been subsidised by Government under the veil of a drawback. . . . We discover the extent of the loss to our manufacturing industry; . . . with a few insignificant exceptions, there has been a serious falling off in the exports of all manufactured

Wine duties
favour
France.

Portugal
complains.

Spain
resented.

articles within the last dozen years. . . . There are many symptoms that continental nations are now entering upon a battle of tariffs. . . . The following passages are translated from the message of the Swiss Federal Council to the High Federal Assembly concerning a new customs' tariff, dated June 16, 1877 :—"The Commission, while maintaining the general principle of free-trade, has pronounced an opinion that it was allowable to introduce augmentation of duties which would protect our interests among those states which, without having any treaty with Switzerland, impose upon her productions duties considerably higher than those prevailing in Switzerland. . . . By premiums paid to locomotive builders, by increased duties, by compelling railway companies to purchase in Russia their rolling stock, and by other extreme measures, Russia is seeking to prevent as far as possible the importation of foreign manufactures. . . . There is great difficulty in applying differential duties. . . . Under these circumstances it would be dangerous for us to abandon our liberty by signing treaties of commerce for long terms of years, unless we could secure much more favourable treatment than that which is usually accorded to us. . . . French manufacturers have found a splendid market for their goods in England, and they would be alarmed if there were any prospect of that market being lost. . . . The course which has been recently pursued of renewing treaties indefinitely, with a provision that either country may withdraw upon giving twelve months' notice, is perhaps at present the best. . . . Nothing would be more encouraging to foreign protectionists than the public recognition and sanction by treaty of high prohibitive duties by this country. . . . We bought from France in 1876 silk goods representing a higher value than all the manufactured articles enumerated that France bought from us combined. . . . Many unconscious supporters of foreign protection assure our rivals that they may with perfect impunity pursue their illiberal policy, and that this country will always afford them a magnificent market, where they may dispose of their goods free of duty ; while they, in return, levy upon ours heavy duties, which threaten to destroy or damage some of our industries. But true free-traders will not regard with complacency an unjust arrangement which threatens to produce a revulsion of feeling in this country, that may throw us back for a generation. While thousands of English working men, who might have been fully employed but for the protective tariffs of foreign countries, are walking about in idleness and subsisting upon the bounty of the charitable, we import annually in large quantities articles of luxury which are consumed by the rich, and upon few of which any duty whatever is levied. . . . Mons. Amé, the Director-General of French customs, in his work on tariffs :—"From the point of view of the adversaries of Richard Cobden, it may be maintained that the English in 1860 were deceived, for while they were seeking a vast market for the sale of their manufactures, they really found in France a rich market where they might buy goods." . . . If there were any danger that France might lose the English market, there would be an agitation through almost the whole of that country, and free-trade missionaries would spring up every-

Swiss
Commission.

French
achievement.

What the
free-traders
will think.

English were
self-deceived.

where. In the meantime both duty and interest call us to develop to the utmost of our power the great colonies and dependencies which give this country an imposing and unique position in the world. . . . British India might, by deep ploughing and planting, be made to produce incalculable quantities of wheat. She was of immense service to us during the cotton famine, and her production of tea and jute is now assuming large proportions. Australia is capable of supplying us with unlimited quantities of wool, and her production of cereals might be prodigiously developed. We possess colonies in every climate, and many of them are untilled fields of marvellous fecundity. . . . No export merchant of experience requires any tables to convince him that foreign competition is to-day a formidable reality in countries where, a few years ago, it was a myth. The ostrich endeavours to escape danger by burying its head in the sand, but we shall not combat foreign competition by imitating its example, or by boasting about our wealth and greatness.

India.
Foreign competition no myth.

F.

REPORT UPON THE FRENCH TARIFF ON WOOLLEN GOODS, ADOPTED BY THE SOUTH OF SCOTLAND CHAMBER OF COMMERCE.

In the column headed "provisional general tariff," are the duties which would be payable in event of the threatened discontinuance of the treaty, without another being agreed upon. These latter duties have also been recommended by the French Budget Commission as the "solid basis from which the Government may negotiate good conditions in new Treaties;" and, it is added, "the Government will know what concessions may be made in exchange for concessions by other countries."¹ We are thus left to understand that although our goods would be subject to the "General Tariff" were there no treaty, the French Government is prepared to give us better terms by negotiation. . . . Before proceeding to consider what position should be taken up by the British woollen manufacturer, it may be as well to state upon what grounds the French base the necessity of a tariff being imposed at all. M. Malézieux, deputy and president of the Budget Commission, in his admirably lucid and clever report, enumerates the following advantages enjoyed by other countries, against which France has to contend:—(1.) Cheaper transport, notably in England, where water-carriage is largely available. (2.) Cheaper coal, the bread of industry, as it has been called. (3.) England's advantage in having no military conscription. (4.) England's greater command of capital ready to be embarked in industrial operations. (5.) England's long political stability. (6.) The longer experience of

French "general" tariff.
French excuses.

¹ This *may* be worth treating for on the understanding that we merely enjoy something similar in return.—R. A. M.

French
excuses
invalid.

England in various industries, her superiority of manufacture, and the vastness of her productive powers, especially as regards cotton. . . . Members of the Chamber are not likely to admit that there is much force in the alleged advantages of Britain over France, at least in the manufacture of woollen goods. At its great central mart in London the two nations buy the raw material at the same price; and it is a fact that its transport to many of the largest manufacturing centres in France is less than to some of the great centres in Britain. On the other hand, we have to go to Havre for no inconsiderable quantity, while all the way from Bordeaux we fetch the skins which yield vast quantities of skin wool consumed in this country. If coal is here a cheaper commodity, its share in the cost of making a pound of yarn or a yard of cloth is too insignificant to be calculable; and, were it more, does France owe this country nothing for the absolute freedom with which she can carry the precious mineral from our hundred ports?

What Britain
suffers from.

If we have no conscription, we have military and naval estimates hardly less costly than they are in France. What France loses in labour by her vast standing army, Britain loses by the restrictions placed on labour by successive Acts of Parliament. Her wages, moreover, are as much higher as her hours of work are shorter. If we have domestic tranquillity, we are more torn by strikes and such like forms of commercial disturbance. Our asserted superiority in available capital simply does not exist. In face of the rapid and constant changes in machinery and in processes, long acquaintance with the trade confers no advantage, and, if it did, the French woollen manufacturers would have that advantage. As for superiority of manufacture, he would indeed be an ignorant Englishman who would claim to excel the French in woollen goods. Statistics tell another tale. They show that for the last few years French woollen exports to this country have gone on increasing, while English woollen exports to France have been as surely diminishing.

Superiority
on French
side.

Table showing increase of woollen manufactures imported from France to England, and decrease of same exported from England to France :—

| | 1874. | 1878. |
|----------------------------|------------|------------|
| Imports from France, . . . | £2,873,440 | £3,923,667 |
| Exports to France, . . . | 3,588,887 | 2,801,426 |

Imports and
Exports in
French
trade.

Table showing increase of woollen yarns imported from France to England, and decrease of same exported from England to France :—

| | 1874. | 1878. |
|----------------------------|---------|----------|
| Imports from France, . . . | £21,859 | £105,643 |
| Exports to France, . . . | 327,504 | 200,719 |

. . . It is plain from the gradual encroachments of French, and the steady falling back of English woollen makers, that the former can do more than hold their own. Their trade has no longer any need to shelter itself behind the ancient entrenchments of protectionism. It can afford to sally forth and wage open battle. . . . As to the rate on woven cloth, there can be no pretence on the part of France that a

levy of ten per cent. on English woollen fabrics is necessary for the safety of her own manufacturers. Taking everything into consideration, the woollen-trades in each country are as evenly matched as they well could be. . . . It is unwise of the manufacturers in this country and this district to treat the question with indifference. To imagine we are so far in advance of our neighbours that we can easily carry ten per cent. of extra weight is one way to lose the race. They are rapidly approaching us in everything that has hitherto contributed to our success; in some points they already excel us; and we may wake some morning to find that our pre-eminence is gone, and that we have allowed ourselves to be elbowed out of our rightful place in the competition.

French
rapidly
advancing.

T. CRAIG BROWN.

G.

EXTRACTS FROM LETTERS.

"9th December 1880.

"Such a letter of Mr. —'s puts one in good spirits, and quite dissipates any little despondency caused by the opposition of powerful journals and the fatal apathy of the public. The latter amazes me more and more every day; and I think it has become quite plain that the movement must first be impelled from below. If well-to-do people, or rather people who *were* well-to-do, are content to re-utter the old shibboleths of one-sided free-trade, we must look to the more nearly affected working-men to carry forward the wave of opinion, which must in the end overwhelm all this poor-spirited inaction."

Public
apathy

H.

From an influential English Steamship-owner.

"29th November 1880.

"I am perhaps a more qualified free-trader than some of our friends, but nevertheless I wish to see free-trade made as much of a reality as is practically possible; and this cannot be if the bounty system is to continue. I believe indeed that the bounty system is something entirely outside of the old controversies between free traders and protectionists, and that if Cobden were alive now he would be upon the platform of those who seek the fiscal unity of the empire, and who demand justice for our industries."

Bounties
system not
provided
against

"7th December 1880.

"It is quite clear that everything is shaping in the direction you wish, and that in the course of another month or two there will be as big an outcry as any of us could desire. Unfortunately it may then be too late to stop the French treaty, but I don't think it will, if two or three earnest men like yourself can be got to go about the country

Public
opinion.

a little and take the subject up promptly. All the materials for an explosion are ready to hand, and all that is required is to apply a match; but with few exceptions, it is practically impossible either for M.P.'s in general or for intending parliamentary candidates to come to the front until they 'see how the cat jumps,' and experience a little friendly pressure from their constituents. . . . For such reasons as these the press is, on this question, no guide to public opinion. . . . I know, and I speak from positive knowledge, that we have influential sympathisers in many of the manufacturing towns. I think they only now want 'stirring up' to start some kind of organisation, and that matters are nearly ripe for it."

I.

From another English Correspondent.

"12th November 1880.

"The view you take of the French and other commercial treaties is so singularly in accordance with my own and that of a very large proportion of our producing classes, that I trust you will excuse my pointing out that the agricultural classes are as much interested in the question as any other department of native industry. . . . The result is thousands of unoccupied farms, and the reduction of agricultural capital is estimated to be equal to *four rents*, or, in other words, of 200 millions of previously *active producing capital*. This enormous sacrifice is fast destroying the *home market*, and free importation is at the same time crippling our manufacturing and commercial industry; and, by the *liberality* of our statesmen, *we* are now paying off the enormous war debt of the United States. . . . What is called free-trade was carried by Manchester men with the hope of reducing wages, by lowering the price of bread. Now, I maintain an *old, advanced, and highly-taxed* state has no right to expect cheap labour. Cheap labour represents degradation of the multitude, and, for national progress, they are already far *too low*, in *food, lodging, and raiment*, etc. The American statesmen openly say they will not degrade their people to the level of our cheap labour, and they maintain import duties on our goods at a rate that is rapidly paying off their enormous war debt. . . . Let the free-trade physic work for a few years, and you will find the nation exhausted. It is now evident there is *again* great attention paid to this question, and I have always felt it a duty to do everything in my power to prevent this national suicide."

Agricultural
view.

J.

"21st August 1879.

"I feel strongly convinced that foreign protective duties will inflict very great injury upon our trade. . . . The state of agriculture, manufacture, and commerce deserves the closest attention of the nation."

K.

From a Silk Manufacturer.

"10th December 1880.

"The home consumption of raw silk has fallen off during the last five or six years from 30,000 to 22,000 bales. The re-exports have fallen at a much greater rate, the manufacturing countries of the Continent and the United States now importing raw silk direct instead of purchasing in London as formerly. The United States last year consumed 19,000 against 12,000 the year before, and this year will probably see a higher total than our own." United States silk trade.

"22d December 1880.

"I have been trying to procure the *exact* weight of raw silk worked up and used in this country for your information, but regret that no authentic returns are published by any one connected with the trade; and the Board of Trade returns are not explicit enough to be of any use.

"I am sure you would be giving the free-traders the benefit of the doubt, by saying that our present home consumption of home-manufactured silks was less than 2,500,000 lbs. per annum. The average weight of the bulk of the raw silk imported is about 103 lbs. per bale, and I calculate that only 22,000 bales are at present worked up in this country, the balance of our imports being reshipped to the Continent or the United States. See page 96.

"What a great convenience it would be if our Board of Trade summarised their monthly returns after the French style as under— Board of Trade returns.

Raw Materials.
Articles of Food.

Manufactures.
Sundries.

It would do much to open the eyes of the public to the serious dimensions of foreign competition in the production of manufactured articles especially.

"A Zollverein of Great Britain and her colonies is now much talked of, but without we can offer them some special advantages in the way of trading, it is difficult to see what good can be done. At present we serve all alike, and our colonies do the same." Imperial Customs' Union.

Fearful
decline of
silk trade.

| | |
|---|------------------------|
| Average consumption of silk in this country for ten years, before passing of the French Treaty, | lbs. 6,000,000 |
| Average ten years after, | 3,200,000 |
| " " ending 1879, | 2,800,000 |
| Consumption 1879, | 2,200,000 ¹ |
| Before the treaty we imported (manufactured goods), | £6,000,000 |
| Present average is, | 13,000,000 |

I.

From a Liverpool Iron Merchant.

"12th November 1890.

Foreign
competition
and foreign
markets.

"President Garfield says in his election address, as regards trade, 'We legislate for America, not for the whole world.' . . . At present our men are very badly off; see the report in *Daily Telegraph* on the chain-making industry, etc. etc. In iron, tin-plates, and chemicals, business is just as bad, and these are the staple industries of England. America, Russia, France, Germany, and our colonies are closing their doors against our goods; what will become of our mechanics? The whole question wants going into; every class in England should contribute to the national prosperity. . . . We are losing most of our trade by people who, for party purposes, reply, 'Free-trade cures all.' . . . We must have a centre to whom we can address our grievances, a Minister of Commerce and Agriculture; that will be the first step to some reasonable readjustment."

"13th November 1890.

Retaliation.

"There is no doubt that retaliatory measures, or threats of such, are the only effective means of checking the migration of the most useful of our industries and the demoralisation of what remains, and those who exert themselves now in that direction, when immediate action is absolutely necessary, will merit the heartfelt thanks of employer and employed alike."

M.

15th November 1890.

IRON.

This is the chief of British industries and is the main cause of our national wealth.

Belgian Beams and Girders of iron are now almost solely used in English buildings, notably the Exchange buildings here where I am

¹ Little more than a third of what was manufactured before the Treaty!—
R. A. M.

writing. Large cargoes are weekly received in London and Liverpool from Antwerp.

Belgian Rails.—The Australians actually purchased 20,000 tons of rails from the Belgians.

It may be said, If they can supply cheaper, why not let them? But it must be remembered that our *furnaces are almost extensive enough to supply the world*. As soon, however, as *American protection* closed us out, our *works were comparatively at a standstill*. And it costs us much more to turn out our supplies by fits and jerks than we could by a constant turn out of material; hence with no export demand for our surplus production, we have become so disorganised that they can now beat us on our own ground.

A practical consideration.

German Steel Rails.—Baron Krupp recently booked an order for America for 10,000 tons of steel rails.

German Steel Rails and Iron have for many years been used in America, Germany, Italy, and were also largely shipped to England. If they could sell in their own countries and compete with others, did they want protection? No. Still the German Government has recently put on a protective duty of £1 per ton about on rails. This keeps the iron £1 higher in Germany; and this extra profit on home consumption will easily enable them to compete in our markets. They profitably exported before protection was put on. They can much better do so now.

German protecting duty.

German Iron and Steel in a semi-manufactured state is largely imported here, and when finished is branded as best English (and is quite as good too).

Russian Imperial Telegraphs.—The contract for the entire supply for Russia was recently executed by a German works.

German Iron Works.—So long as German companies pay $\frac{1}{2}$ per cent. profit per annum, the Government does not allow them to be wound up.

Russian Iron Works are largely supported by Government subsidies, amounting in some instances to £5 per ton, in addition to a high protective duty and consequent exclusion of English metal and prospective supply of the East from Odessa.

Government subsidies and protection in Russia.

Small Arms Associations of Birmingham read their memorial to Government of their trade entirely falling off, for export and foreign arms sold in England. And this is Birmingham, the centre of the hardware trade, the very first town that should be in the van of the fair-trade movement.

Small arms.

American Locomotives supplied extensively to New Zealand and Australia.

We want a *sagacious Minister of Commerce* to inquire into all this and see where the fault lies.

Minister of Commerce.

N.

EXTRACT OF LETTERS FROM A SEAT OF SCOTTISH INDUSTRY.

"9th November 1880.

"The way this country has allowed itself to be treated in matters of international commerce is much to be wondered at. After we have been hit on one cheek, we have held up the other with a meekness which (however admirable in other circumstances) is at all events incompatible with fervour in business. I wish I shared your confidence as to there being 'abundance of material for a conflagration provided, ready for the spark to be applied.' No doubt there are a great many more numerous and more influential than are dreamt of in the Government's philosophy, who only want an opportunity to denounce these one-sided, unfair, and disaster-laden Treaties; but the mass has yet to be awakened. I am convinced it must come from below. Let the miners and iron-workers and cotton operatives see what they suffer from the selfishness of our statesmen in this matter, and they will not be long in making their voice heard. For myself, I go in not only for freedom to retaliate, but for retaliation itself, *sans phrase*—retaliation sharp and unmistakable. Just now we have America at our feet, and have sent a pull to France and the Continent as might bring all to their senses. Not to use the means of salvation is suicide, nothing more."

"20th November 1880.

"It needs no great insight to see how much our negotiations are hampered by the absence on our side of anything to negotiate with. Indeed, Mr. Gladstone has practically admitted the propriety of retaliation by abandoning his proposed reduction of wine-duty until he has the French committed to a *quid pro quo*. . . . A clear-headed statesman who would take up this question and agitate it judiciously might create a very strong party in the country."

"23d November 1880.

"I see in the *Daily News* of this morning an account from the Paris *Temps* of our negotiations with Spain and with France. In his withholding or granting of the easier duties on wine according as he obtains bad or good terms from these countries, Mr. Gladstone admits in its entirety the principle of reciprocity. One may as logically put new duties on for the purpose of making good terms as refrain from taking old duties off."

"26th November 1880.

"The *Bradford Observer* of Wednesday last. In it the Free Traders of that important place appear (in the Chamber of Commerce Report) as denouncers of the French Treaty on even its present basis—much more the proposed basis of specific duties. It is the biggest sign yet of influential movement in our direction."

"2d December 1880.

"Although a disadvantageous treaty might be agreed to between France and this country without much IMMEDIATE outcry, it would certainly be denounced on this side the Channel by public opinion long before the ten years of its term could expire. . . . The short passage from *Wealth of Nations* in which Adam Smith recognises the necessity of retaliatory tariffs, would shake many of the dogmatic *doctrinaires*, and prepare their minds for a candid examination of our proposals."

Adam Smith and retaliation.

Interesting proceedings in the Bradford Chamber of Commerce referred to in a preceding extract. From the *Bradford Observer*, November 24, 1880 :—

"The President wished to refer to a matter in connection with Mr. Mongredien's pamphlet. . . . The total French imports of manufactures, as compared with raw materials and articles of food, was only 8½ per cent., and the total French exports of the natural products other than articles of food, was only 595,000,000f. out of 3,331,000,000f. . . . There had been a meeting in Liverpool a few days ago on the question, and there was a very strong opposition there to a treaty at all, unless it was one in the direction of Free-Trade. . . . A suggestion was made at that meeting that the Government ought to send down a competent gentleman from the Foreign Office to take counsel with the leading chambers of commerce in the kingdom, and to ascertain their views on this question, and to see how the different interests of the country were likely to be affected by it. He thought that was an excellent proposal, and he should move a resolution to that effect before their proceedings were over. It was impossible that a deputation of two or three gentlemen going up to the Foreign Office could represent all the views that were held on the question by the trade, and the proper course to take was for the Government to send round to all the principal industrial centres competent gentlemen to ascertain what those views were. He had already said that the question before them was not a party question. . . . In 1879 the consumption of wool in England was three times greater than in 1850, but the consumption by their competitors in 1879 was seventeen times greater than in 1850. During his stay at the Paris Exhibition he (the President) came in contact with most of the leading manufacturers in connection with the wool industry. He had a good many conversations with them about the progress of that industry. One of them who was more frank than the others, and who was in his group of juries, M. Legrand, told him that since 1867, the French wool industry had doubled, and that since the Treaty of 1860 it had trebled. Take that in contrast with the position of our own industry as he had shown it to them by figures at the last meeting. Our export trade had fallen off about one-half in that thirty years, whilst the French industry, upon their own confession, had more than doubled. He had further conversations with them in reference to the prospect of their lowering

Striking figures for Mr. Mongredien.

The suggested Commission of Inquiry.

British and French wool industries.

... *Financial Chamber of Commerce's*

... and ... Free-Trade with England, and, generally speaking, ... The tenor of their resolution was ... We shall go on as we are as long as you will ... and we shall take off our duties whenever you make ... Our trade with England is too valuable for us to sacrifice ... and if England insists upon it we shall be obliged either to ... or to remove them altogether. . . . He should ... about the operation of the wine duties and duties of ... Mr. Behrens said he had an amendment to ...

That in view of any changes which must precede the conclusion of a new Treaty of Commerce with France, this Council desires once more to inform Her Majesty's Government the claims of the Yorkshire wool industry to be no longer subject to the onerous 10 per cent. duty imposed upon its products since 1874. Without entering into details which have been exhaustively treated in voluminous documents for twenty years past, the Council begs most respectfully to insist upon two points resulting from the documents, viz, that no specific duty, unless it be merely nominal, can prevent our worsted and woollen goods and yarns from being unfairly taxed, and that in case the French Government should not be prepared to abandon immediately every import duty on wool tissues, the present 10 per cent. ad valorem duty be reduced to 5 per cent., with a view to its entire abolition at no distant date. That the President be requested to forward the resolution to Lord Granville, Her Majesty's Secretary of State for Foreign Affairs.'

The President said he would be very glad to accept Mr. Behrens's resolution if he would omit from it the reference to the specific duty. . . . After some conversation, Mr. Behrens agreed to omit from his resolution the words, 'unless it be merely nominal.' The President accordingly abandoned his resolution, and seconded Mr. Behrens's in its amended form. . . . As since the Treaty of 1860 French competition has almost destroyed the silk-trade, and many smaller industries, and also as, at the present time, the worsted trade of this district is suffering severely from the importation of French wool goods, this Chamber urges upon Her Majesty's Government to insist upon Reciprocity in the new treaty, and, failing that, to place countervailing duties upon all French manufactures imported into this country. In the first part of the resolution he advocated entirely Free-Trade. He had always been a Free-Trader, and he was so still, but he was bitterly hostile to one-sided Free-Trade. . . . He would ask Mr. Smith—the gentleman to whom he alluded—to say whether the working man, who had a right to have his labour protected, had not to be considered before the lady who got her soft goods dress at 10 per cent less, at the expense of the working man. He said, without the slightest hesitation, that unless we could have Free-Trade with France let us put on countervailing duties. . . . Sir H. W. Ripley said he thought the Council was ignoring every industry except the woollen industry.

silk trade
drunk

The Bowling Iron Works, which had agents in Paris, found a great difficulty in doing business in consequence of the high duties. . . . The President, replying to the observations of Mr. Illingworth, said that if we did not enter into a treaty of commerce with France at all we should, according to the statement of Mr. Slagg, have the benefit of the most-favoured-nation clause. But he must say most decidedly that there was not the slightest probability of France ever refusing to enter into a treaty with us, and if she did he did not apprehend that we should lose any trade of any magnitude. We must have the most-favoured-nation clause, and we should be free to take what course we chose, and to put on duties on luxuries, which course would be necessary to bring her to her senses. Mr. Behrens's resolution was then put to the meeting, and was carried by 18 votes to 1, Mr. Lister being the dissentient. The President proposed—

How to deal
with French
propositions.

‘That this Council considers it most desirable that the Government should send down from the Foreign Office some gentlemen conversant with the special subject to confer with the various Chambers of Commerce as to the details affecting their special interests when the Government negotiates a Treaty of Commerce with France.

Vote for a
Commission
of Inquiry.

Mr. Oddy seconded the resolution, which was carried.

O.

FROM MR. KENNEDY'S REPORT ON THE INTERNATIONAL CONGRESS OF COMMERCE AND INDUSTRY,
HELD AT BRUSSELS IN SEPTEMBER 1880.

“The principal question brought before the Political Economy section was that of free-trade and protection. There was reason to expect that some of the French and German members of the Congress would have explained and defended the course which has been adopted in Germany, and which is now advocated by influential persons in France in regard to Customs duties. But this was not the case. No one present argued the question from this standpoint. It was explained, however, that in Germany the agricultural, metal, and textile industries had united in demanding protection, and had each obtained it by mutually adopting and enforcing the wishes of the two other great interests. As to France, it was explained that the apparent reaction originated with the necessity for raising a larger revenue, under which circumstance recourse to Customs duties became a ready means of action, and was advocated by men brought up under older ideas of political economy and finance, a state of things which was

German
desire for
protection

European
Customs
Union pro-
posed

Protection of
Germany.

Technical
education.

Belgian com-
petition.

These
figures are in
the original.

speedily taken advantage of by certain trades. An interesting point in the discussion was a proposal made by German and Austrian speakers for a Customs union between the States of Central Europe. This proposal met with no favour from the Belgian and Swiss members of the Congress, who seemed to think that a Customs union between States of unequal influence and size might lead to union of another description. The warmth with which the scheme was put forward was somewhat remarkable. . . . Impatience was expressed by some of the English as well as foreign speakers at the course which is now taken by certain Continental countries, and also by the United States, in framing Tariffs which are, as regards the general trade of the country, either avowedly or in effect devised to act as protective or differential measures. Some hope was, however, entertained that in approaching commercial negotiations an *alleviation* may be found for a condition of affairs which is indeed fraught with danger to the prosperity of many countries, and even to the good relations between some nations. No resolution was come to on the subject. It is worthy of notice that, at a meeting of the Belgian Society of Political Economy, Professor von Kaufmann, of Aix-la-Chapelle, is reported to have given an explanation to the following effect of the existing Protectionist movement in Germany:—He said it is an outcome of the patriotism which has effected the unity of the empire; that Germany has been the scene of commercial no less than of political wars; that Germany is at present surrounded by enemies; and that in this state of things it is a patriotic course, which is every way justified, to seek to produce at home all that in times past has been purchased from abroad. . . . It would seem from what we heard and saw that technical education is not sufficiently attended to in the United Kingdom. . . . It appears to have been shown in the course of the proceedings of the Congress, and by the excursions to industrial centres in Belgium, that while in this country, as before stated, we are somewhat deficient ourselves as regards technical education, we are, further, not duly informed as to what is passing in neighbouring countries in regard to it; nor as to improvements in manufacture, either as to design, processes used, or the manipulation of materials. It seems to be very desirable that the whole subject should be carefully examined with reference to what is being done in foreign countries, no less than with reference to our own requirements. . . . In linen manufacture, and in some descriptions of glass, ironwares, and machinery, Belgian competition is making itself felt, as regards British trade. But with every allowance for the inconvenience and loss which particular employers and trades suffer from this state of things, and the fullest sympathy with them, it can only [?] be said that the result is an instance of advantage being taken of the superiority possessed by each country in regard to certain branches of trade. Its effects may indeed be lessened by careful attention to processes of manufacture, and by development of industrial education. With respect, however, to advantages derived from cheapness of labour and length of hours of labour—the latter being in Belgium, in some instances, 130 against 56 in this country—we should not wish to obtain them at the ultimate cost which they involve; in fact, we

cannot obtain them if we do wish for them. While, with proper attention to our own wants and circumstances, British industry need not, within its own limits [what means this?], fear any competition. . . . His Excellency M. Saintelette, Minister of Public Works, replied as follows:—Excess of self-confidence is the greatest danger to prosperity. It was never to be more feared than at the present time, when neglect of inventions and new appliances, which are rapidly brought into use, may cause a country speedily to fall behind its competitors. . . . The subject of industrial libraries was then taken. Doubts were expressed how far workmen could and would make use of such libraries. On the other hand, the example of the Library of Industrial Art attached to the Royal Museum at Brussels was cited as proving that the working classes could and did derive considerable advantage from such institutions. . . .

Excess of confidence.

Workmen's libraries.

General Meetings—Free Trade and Protection.

September 7.

"M. le Hardy de Beaulieu, who presided, remarking that many persons from France and Germany were present, asked that some of them would be so good as to explain the objects of the protectionist reaction in those countries, and to state the advantages which were obtained or were looked for from the adoption of a protectionist policy. . . . M. Hirschberg, the first speaker, maintained that experience was in favour of free-trade, and that the reaction towards protection was temporary, and would end in failure.

Opinion on Continent.

"M. Limousin, editor of the *Gironde*, gave some explanation respecting the new General Tariff recently voted by the French Chamber of Deputies. The victory obtained thereby on the side of protection was apparent rather than real. The protectionists had by no means obtained what they sought for. The success which had attended their efforts was owing to the energy of certain individuals, and to the pressure exerted by certain trades, not to any general feeling in the country. . . . Mr. Stephen Mason, President of the Glasgow Chamber of Commerce, reviewed the free-trade movement in England since 1840. . . . M. Sève expressed surprise that no one had arisen to uphold *bonâ fide* protectionist views. He thought that in the United States protection was a political, and not really an economic, movement. . . . M. Kaufmann proposed, as the means of reconciling protection and free-trade, the creation of a Central European Customs Union between Germany, Austria, France, Switzerland, Holland, and Belgium; directed against England, Russia, and America.¹ . . . M. Frédéric

¹ This proposition may be consummated. If so, it must give an enormous impulse to the movement for transferring from our country her manufactures and shipping; in connection with which it is necessary for us to remember how much better France, and still more such a Zollverein as this projected one, are situated geographically for navigation and commerce, and how foolish will in the end our statesmanship look, if in blind devotion to a theory, and through unwillingness to retrace steps false, though at the time justifiable, we deprive ourselves of the weapons whereby alone can our pre-eminence be upheld, and of our

German ex-
cise for pro-
tection.

European
customs'
union.

Free-trade
credited with
too much.

said that complete abolition of customs duties is an impossibility. He estimated that 40 per cent. of the revenue of European States is derived from customs duties. Under existing circumstances, he asked, How can these be replaced from other sources of taxation? But he only defended duties on certain articles of food, and on finished goods, not on prime necessities, raw materials, or articles for use in processes of manufacture. M. Hirschberg explained that in Germany the protectionists allege that they only ask for duties in order to balance the inferiority of national industry, and to afford it, in the midst of powerful foreign industries, the means of development. Mr. T. J. Smith, President of the Hull Chamber of Commerce, said that without disputing the results attributed to free-trade, we should not lose sight of the fact that these results had been largely promoted by other causes; for example, the great extension in late years of the means of international communication. M. Strauss expressed himself in favour of systems of customs-union. M. Brunet also declared himself in favour of customs-union; he considered that abolition of customs duties did not afford a practical solution of the question; a grievance existed, namely, that certain states, by their fiscal system, did exclude the products of other states from their markets; he appeared to be in favour of a policy of retaliation. M. de Seigneux, delegate of the Swiss Government, said . . . as regards customs-unions, from the point of view of minor states, they are not desirable. M. Berdolt advocated a tariff for fiscal purposes, in contradistinction to one framed to afford protection. He approved gradual reductions of duty under engagements made by treaty. M. Limousin maintained that minor states have nothing to fear from countries which govern themselves. He did not approve the English system of taxation, but did not offer criticisms of a practical character.

"Mr. Kennedy, after explaining that he had been sent by Her Majesty's Government, . . . considered it to be an undoubted fact that the commercial prosperity of Europe in late years has been owing to the adoption, to a greater or lesser extent, of the principles of free-trade. . . . The great development of trade in late years in Europe has been confined to the states which have entered into the Commercial Treaty system founded on the Commercial Treaty of 1860 (Mr. Cobden's Treaty) between England and France. M. Van Oye declared himself to be a reciprocitist; Belgium, he said, could no doubt live under a free-trade régime. But it is becoming necessary, he said, to defend native industry against the protection with which neighbouring countries cover their own industries. It would not do for Belgium to take the lead in suppressing customs duties. Belgium and other minor states should adopt a policy of reciprocity towards their neighbours. Mr. Craig-Brown, delegate of the South of Scotland Chamber

liberty to wield them and our power, when it is possible to do so with good effect. Let the position of our seaports with reference to the great majority of other ports be well studied on a globe, and our disadvantages under the new short-cut modes of doing business will be unpleasantly apparent. This consideration may well stop us in the *facilis descensus* from which it will be so difficult, if not (as I fear) impossible to again mount up.—R. A. M.

of Commerce, thought it well to point out that impatience is arising in England at the fiscal policy of continental states and of America, that from this cause free-trade is losing some ground, and calls for reciprocity are heard. M. Sève said that reciprocity and protection are convertible terms. . . . M. Steinmacker urged strongly the proposal in behalf of a Central European Customs-Union, and expressed astonishment and displeasure at the disfavour with which the scheme had been received by the meeting. . . . The meeting broke up without any votes being taken."

P.

SOUTH OF SCOTLAND CHAMBER OF COMMERCE.

The members of this Chamber held a meeting in the Public Hall here.

Belgian Congress of Commerce.—Mr. T. Craig-Brown, Selkirk, gave in a report of the International Congress of Commerce and Industry held at Brussels in September, which he had attended as delegate of the South of Scotland Chamber. . . . That the British Government was also awaking to a sense of the true proportions of the commercial interest was evident from the presence of Mr. Kennedy of the Foreign Office at the request of Lord Granville. Mr. Kennedy was accompanied by Captain Clipperton, lately appointed Britannic Consul at Philadelphia. . . . Of abstract questions taken up by the Congress none attracted so large a sitting or awakened such lively interest as that of protection and free-trade. The French equivalent for the latter term being "*libre échange*," or free exchange, it follows that the two terms do not cover precisely the same ground in both languages. As at present understood in England, "free-trade" does not necessarily imply free exchange, but includes what is known as "one-sided free-trade." With French-speaking people, on the other hand, "*libre échange*" does not invariably cover "one-sided free-trade," though it often does. . . . M. Kaufmann advocated the creation of a customs union between Germany, Austria, France, Switzerland, Holland, and Belgium, which he believed would conciliate protection and free-trade. . . . Mr. Brunel, Secretary of the Ghent Chamber, approved of reciprocity, and would not give free entry to countries which closed their own frontiers. . . . Mr. Craig-Brown said—The prospect from a British point of view was not encouraging. In America the import duties were practically prohibitive; Germany had returned to protection, France was wavering, and even in Belgium, where free-trade principles were almost universally professed, there was no symptom of those duties being removed which at present hampered the importation of foreign goods. If there was at present developing in England an impatience with this state of matters, and a cry for retaliatory tariffs (of which there could

Mr. Craig-Brown's statement.

Libre échange.

Prospect of free-trade

| | |
|--|-------------|
| " 2100 tons gross, at 60 francs per ton, | fr. 126,000 |
| " 300 tons weight of engines, boilers, steam cranes, steam winches, etc., at 12 fr. per 100 kilo- grammes=120 fr. per ton, | 36,000 |

fr. 162,000

being at 25·50 francs per £1, £6353, equivalent to £17, 16s. per cent. on the value of £35,700, or to £3 per gross register ton.

" Assuming that this vessel might steam 48,000 miles in one year (equal to 240 miles per day for 200 days in the year), the separate bounties on her navigation would be as follows:—

| | |
|--|-------------|
| If built out of France for French owners, 1400 nett register tons, at 1½ francs per ton=2100 francs, 48,000 miles at 2100 francs per 1000 miles, | fr. 100,800 |
| or at 25·50 francs per £1, | £3,953 |
| being £11, 1s. 5d. per cent. on £35,700. | |

| | |
|---|-------|
| If built in France for French owners, at 1½ francs per ton per 1000 miles, as above, | 3,953 |
| Additional bounty, at 15 per cent., | 593 |

Navigation bounty for first year, £4,546
being £12, 14s. 8d. per cent. on £35,700.

" On this footing, and after making allowance for the annual reduction of 5 centimes in the rate of bounty, the aggregate sums for the navigation bounties, for the ten years during which they are to continue, would amount to £33,590 if the ship were built out of France, or to £38,620 if built in France; and if to this latter sum be added the construction bounty of £6353, it is seen that the total bounty is brought up to £44,973. Sums like these are amply sufficient to return an excellent profit on ships under the French flag, even if no profit at all can be gained from them in any other way.

" It should be kept in view that British ships have no commercial privileges over those of any other nationality. They can engage in no trade in which all comers are not free to compete on equal terms. These bounties, however, are sufficient to give French shipowners an overwhelming advantage in this competition, and the result may be to drive British shipowners out of trades all over the world, developed and hitherto retained mainly through their own skill and enterprise. Whether so intended or not, the bounties may come to be a bid, and a heavy one, for the transfer to France of the maritime commerce now chiefly in British hands. British shipowners may be compelled to retire from an impossible competition, and to dispose of their ships to those who can turn them to great advantage independently of any working profits, or they may be induced to domicile themselves in France, and to acquire the rights of French citizens on purpose to secure the enormous premiums for carrying on such business as theirs under the flag of France.

Threatened
position of
British
ships.

Competition
may be im-
possible.

" Your memorialists believe that a scheme of so extraordinary and exceptional a character, fitted as it is to produce the most serious and far-reaching consequences to British maritime commerce, ought to

receive the immediate and anxious consideration of Her Majesty's Government. They think that all reasonable efforts should be used to prevent its being carried out, or, if carried out, to counteract the prejudicial effects that may be anticipated from it."

R.

EXTRACTS FROM MEMORIAL PRESENTED, Nov. 26, TO LORD GRANVILLE ON THE PROPOSED FRENCH BOUNTY TO MERCHANT SHIPPING.

Bounties
even in
British
coasting
trade.

"This bounty is not to be confined to vessels engaged in the trade with France, but may be claimed by all French vessels running between any foreign termini—thus, a French line running between this country and New York would be entitled to the bounty, and perhaps between one port in the United Kingdom and another,—certainly between one British colony and another.

"The bounty on French-built ships is computed to yield about £12,000 on the first cost of a vessel costing about £60,000 in this country.

Shipbuilding
in France.

"This will stimulate the shipbuilding of France, and encourage the establishment of English shipbuilders in that country. Approaches have already been made to some British houses with that object. But, doubtless, the first effect of the new French law will be highly beneficial to the home industries of this country, for a great increase of business in our shipbuilding yards will be the immediate result.

"It will, however, prove a delusive benefit if we have simply forged weapons to be turned against ourselves—if we have supplied the means whereby the maritime supremacy of Great Britain may be destroyed, her mercantile marine and her carrying trade taken from her, and her seamen and shipowners possibly induced to transfer their services and their capital to France.

A national
question.

"We venture to submit to your Lordship that the question involved in this French bounty to shipping is not merely a commercial question affecting our industry, but is a national question affecting the well-being of the State, and of the utmost gravity to the nation, to which it will be well that the Legislature give consideration ere it be too late.

"We do not offer any suggestions to your Lordship to meet the case; no merely local remedy seems to us suited to deal with it. It is matter for instant diplomatic action and for consideration in our commercial treaties. The proposed Bill is represented by some authorities to be at variance with existing treaties between this country and France, but of this we are not fully informed."

S.

FRENCH SHIPPING BOUNTIES.¹*To the Editor of the "Shipping and Mercantile Gazette."*

"SIR,—When such bodies as the Edinburgh and Glasgow Chambers of Commerce denounce in the strongest terms the threatened French shipping bounties as a proceeding fraught with consequences in the extremest degree injurious to the shipping interests of our country, there is no occasion to multiply testimonies and warnings, although that I might do,—(especially in your columns). Let me, in a few words, adduce some considerations which may well be present in the minds of the deputations who, I am glad to learn, will be received to-morrow by the patriotic Secretary of State for Foreign Affairs. The aim of our good neighbour across the channel is to make France, by the transference hence of as much as she can obtain of our commerce, our manufactures, our shipbuilding, our shipping, our packet lines, and our warehousing business, greater commercially, and to make her more powerful politically as well as stronger in ways too familiar to require mention here. Why should Britons help her in this? Its intention and effect obviously are not such as British statesmanship should go an inch out of its way to facilitate. If the Treaty of Commerce which French statesmen wish our nation to enter into is at all like the Treaty which is now in force, we shall most unnecessarily, and, I do not doubt, also most decidedly hamper our own action, and be helping France to carry out her bold and not fully developed designs. We do not know what arrows she, who is very astute, as we now find, may have in her quiver. These may be very awkward ones I fear. Surely at a time when Germany and the United States and Russia, and probably other Powers, are contemplating legislation similar to that of France in favour of their shipping and navigation, it would be most unwise—because in ways that we cannot foresee hazardous—to tie our hands and to put ourselves into a position from which we cannot, till ten long years elapse, extricate ourselves and recover that liberty of action, the value and necessity for which bitter experience will have taught us. Let us therefore avoid new treaties, and retain the power of discriminating, or, if your readers prefer the word, of retaliation—a word which I do not like,—by not binding ourselves through any instrument to admit the produce and manufactures of other countries free of duty. Let us avoid the obligation to supply other countries with coal free of export duty; let us, above all, regain the power of filling our exchequer by import duties, if ever circumstances shall make it expedient to spend money largely. If the French know that the Chancellor of the Exchequer has this very large source of income to draw upon, and that at the same time he, by differential duties, can mark dissatisfaction with Powers who do not respond in a friendly manner to our

Deputation
to Lord
Granville.

Not the time
to enter into
new Treaty
with France.

Power to
retaliate.

¹ From the *Shipping Gazette* of 25th November 1880.

'Shipping Gazette' on proposed

extra advantage of their goods, they deriving, as they do, truly vast advantages from admission on favourable terms to the British market, will certainly be much more careful not to endanger the inestimable privilege for such it is, and will, beyond a doubt, be much more conciliatory and amiable responsive. I for my part, have not the smallest doubt that the present Treaty engagements are very pernicious. They have justly been pronounced objectionable, or inconsistent with sound principles of commercial policy, by such ardent free-traders as Messrs. Hugh Mason and John Stagg, members of Parliament, in their 1872 report regarding the French Treaty, presented to the Manchester Chamber of Commerce, and, I presume, adopted by that very influential Chamber. To go no further for evidence than the distasteful twistings in respect to wine duties which the unfortunate French Treaty has necessitated, surely the troubles that are accumulating upon our negotiators, even in that single and secondary matter, are enough to sicken and arouse sensible statesmen. All I can say is, after looking at the Blue-Book on French industry and commercial Treaty questions, and with the knowledge that reaches me from different quarters of what practical men think on the subject, the Foreign Secretary need not apprehend that his ceasing to treat with the French will cause regrets in commercial circles.—Yours, etc.

— AN EX-MEMBER OF PARLIAMENT.

— LIVERPOOL, Nov. 24.

T.

From the *Shipping Gazette* of 27th November 1880:—

“We published on Thursday a letter from an ex-member of Parliament, in which the views of those who compose this movement are clearly set forth. Our correspondent describes, without, as it seems to us, any exaggeration, the aim of ‘our good neighbour across the channel’ when he says that it is to ‘make France, by the transference hence of as much as she can obtain of our commerce, our manufactures, our shipbuilding and shipping, and of our packet lines and our warehousing business, greater commercially, and more powerful politically, as well as stronger in ways too familiar to require mention.’ And he asks—‘Why should Britons help her to do it?’ The question is pertinent, although the answer to it is not a very easy one. It is true that we have commercial treaties with France which are under notice of expiration, and that we have an unrepealed law on the Statute Book which enables any Administration, with the assent of the Sovereign, to adopt a retaliatory policy without applying for the sanction of Parliament. The retaliatory clauses in the Customs Consolidation Act (16 and 17 Vict., cap. 106 and 107) have been law for over a quarter of a century, but they have never been acted upon; nor is it likely, so far as we can see, that they will be, inasmuch as their opera-

Why should
Britons
help?

Power to re-
taliate not
made use of.

tion would practically involve a reversal of the commercial policy which this country has finally adopted. But we are about to revise our treaty arrangements with France; and this is the opportunity to which our correspondent, and those who think with him, look forward to put a legitimate pressure upon the French Government and Legislature. There is no doubt that the Commercial Treaty of 1860, and the international arrangements which have followed it, have proved in their operation more beneficial to France than to this country. This is a fact which has been vouched for on the authority of the French returns, which show that under these treaties the exports of French produce to the United Kingdom have far exceeded in amount and value the imports from the United Kingdom into France. . . . The commercial circles in this country—even those most interested in the trade with France—are becoming alive to the fact that the French have long been turning us to account, and are now bent upon achieving a great commercial position mainly at the expense of England. This is what the adoption of the bounties on shipping and navigation really means. To be forewarned is, it is said, to be forearmed, and the British Government who would neglect the warning, would incur a heavy responsibility. France is a wealthy country. She has a splendid trade, large resources, and great industrial intelligence and power. She has no necessity to resort to such poor—we had almost said contemptible—expedients as those of special bounties to native industry. . . . But if France chooses to adopt this mistaken policy, and, by persisting in it, to alienate her best customers—to set, in fact, the whole world against her—she must be prepared for the consequences, which cannot fail to be disastrous to her best commercial interests.”

France
gained more
by treaty
than Britain.

France's gain
at England's
expense.

U. -

EXTRACTS FROM PRIVATE LETTERS.

“18th November 1880.

“Nothing is likely to be done with the Government by friendly deputations or ‘talkee talkee’ of any kind, but they will move fast enough under the pressure of a public outcry backed up by the working-man’s vote. . . . I would like to have explained the kind of negotiations that are ‘upon the tapis’ in regard to shipping, and which serve to close the mouths of those who ought to speak out. My own interest even might, in certain circumstances, be served by the bounty system, which I abominate. . . . Steamers, you know, are cosmopolitan. . . . A policy which, as I believe, has already worked infinite mischief, and which, although it may be profitable to individuals who know how to work matters for their own ends, leads only to ruin so far as the country is concerned.”

“Squaring.”

Letters on shipping bounties.

"19th November 1880.

"Have friends if my own have been applied to for liberty to register their vessels under the French flag in order to earn the bounty. A small vessel would get about £1000 bounty for an Australian vessel. A builder would get about £2500 bounty for building her in France."

"MEMBER OF COMMERCE AND MANUFACTURES,
- Glasgow, 22d November 1880.

"I am anxious regarding the privileges accorded to French vessels for visiting French ports, but in fact engaged in British waters. The answer can all be answered in the affirmative."

"26th November 1880.

"The final result will be the same whether our industries are to be protected by the bounty system, or starved to death by arrangements which will import foreign manufactures to the exclusion of our own, and in such a case will not purchase the productions of our own industry."

"30th November 1880.

"On the 5th inst. I sent of yesterday's date there is a copy of the memorial on the Shipping Bounties presented to Lord Granville by the deputation which waited on him a day or two ago. It is well worth reading. I believe every word of it is true. It fully confirms all that was said in the Edinburgh Chamber's memorial. . . . My own opinion is that our Government will hesitate to commit itself to the terms of any treaty until this matter of the bounties is settled in the way of other."

"9th December 1880.

"The last contribution to the deputation was by Glasgow, and was by Mr. Hugh Allan. It proved that a steamer of 2500 tons would make between £500 and £600 profit in the United States trade, whereas an English vessel could net one penny! . . . The fetish of protection runs many, and it is very difficult to get many politicians to touch a subject which needs anything else than a shout of opposition for ever. I saw a Sunderland builder to-day who is at work for the French bounty people."

"1st December 1880.

"The public does not feel to any great extent the effects of the French bounties and treaty operations, and as a rule people won't move unless their own are tramped upon. Should the French government be stronger it will make a greater outcry on the subject, and may lead to a more compelling Government to redress the matter. The only way in which we are very badly used, and their only hope of redress is by united action and co-operation with other nations who are similarly affected. So long as the public get good and cheap goods they are not moved."

"22d December 1880.

"The shipowners are evidently quite satisfied to haul down the flag and to the arms offered, and seem hardly disposed to make

even the *show* of disapprobation or regret. "Anri sacri fames," but the day may come when they will repent of their greed; for I do not doubt that the French Government will eventually (and by degrees, as the *bona fide* French mercantile marine grows stronger) confine their bounties to French-built and French-owned ships.

"In the meantime, the 'cosmopolitan' teachings are bearing fruit, and that fruit is greed, avarice, and bad citizenship."

"Deputations from Marseilles, Bordeaux, Havre, and other ports have begged M. Léon Say and the Senatorial Committee to expedite the Merchant Shipping Bill, on the ground that vessels built abroad and registered in France before it passes are to profit by the bounty; that contracts are consequently being executed in English yards, and that a month's delay would enable 50,000 or 100,000 tonnage to get registered in time."—*Times*, December 1880.

Amount of
tonnage
building for
France.

MR. MACIVER, M.P., ON FOREIGN BOUNTIES.¹

"We are told, however, that foreign nations, so far from desiring to extend the bounty system to other trades, 'are uneasy about it as it is, and are feeling their way towards getting rid of it.' But surely those who make such statements must have forgotten what is already proposed by France in regard to shipping. It is a matter of common notoriety that an extension of the bounty system to shipping is actually intended, and by other nations as well as France; but it does not necessarily follow that all British shipowners would suffer by the arrangement. Ships are cosmopolitan, and shipowners are in many instances capitalists to whom the nationality of their vessels matters little. There are some of us who, on being sufficiently remunerated, will have no objections to transfer our tonnage to the allegiance of a foreign state.

Ships are
cosmopoli-
tan!

"If the mercantile marine is worth anything as an adjunct to the Royal Navy, France, under the proposed extension of the bounty system, will soon have the control of a valuable fleet which at present belongs to Great Britain; and if we are as a nation foolish enough to agree to the renewal of a commercial treaty under which such a thing is possible, there is, I think, no way in which France can so cheaply add to her navy as by paying a bounty to British shipowners to procure the transfer of their property to the French flag. . . . DAVID MACIVER."¹

Bounty will
be too effec-
tual.

¹ From the *Liverpool Daily Courier*, 10th December 1880.

V.

FRENCH TRADE WITH AUSTRALIA.

"The French Government is at present in negotiation with the company of the Messageries Maritimes for the extension of the packet service from Bourbon to Australia. It has long been desirous of establishing direct communication with New Caledonia, but the expenses of such a direct communication were considered out of proportion to the object. The company having now proposed a more extended area for the new service, it is not improbable that an arrangement may shortly be effected."—*The Colonies and India*, November 20, 1880.

W.

GROWTH OF WEALTH IN FRANCE.

"... The bad seasons which have tried all the rest of Western Europe have resulted in France likewise in a series of deficient harvests—the last, as with ourselves, having been probably the worst of the century. France, as is well known, is a country of peasant proprietors, who, it might be thought, would be ill able to bear a series of bad harvests; but, severe a trial as that was, it was not the only one they had to go through. One of the ideas of the First Napoleon in his war to the knife against this country was to encourage the cultivation of beetroot in France, so as to make her independent of West Indian sugar. The idea has borne such good fruit that our own sugar refiners complain of being ruined by the French; and beetroot has become one of the principal crops of many important French districts. Last year this great crop also suffered from the incessant rain and cold. The silk crop, again, was a total failure. And—a still more serious matter—so was that of wine. . . . Under this accumulation of misfortunes almost any agricultural population, however large might be the resources in capital and skill of the individuals composing it, might be expected to suffer distress. How much more, then, 6,000,000 of peasant proprietors? But, as a matter of fact, we have heard comparatively little of distress in France. Not only has there been nothing of the suffering witnessed in Ireland, but there has not even been any extensive inability to meet engagements, such as in England has compelled landlords to grant reductions of rent. . . .

First Napoleon's idea as to beet.

Little distress in France.

"On consulting the French foreign trade statistics, we find that from 1873, when the disturbance caused by the war and the Commune may be supposed to have passed away, to 1875 inclusive, the exports exceeded the imports by from 8,000,000 to 13,500,000 sterling annually. In 1876, however, there was a reversal of the balance of trade, the imports in that year exceeding the exports by 16,500,000

sterling. The excess of imports over exports has continued ever since. In 1878 it amounted to £43,646,680 ; last year it rose to £54,845,200 ; and in the first nine months of the current year it actually reached £51,177,520. . . . Our purpose rather is to show what has been the effect of the series of bad harvests upon her foreign trade, and how immense must be her accumulated wealth, and how widely diffused must competence be among her people, since she has met all the demands upon her without visible effort. There has not been a bread riot in any town, there has been no agitation on the part of any class for a reduction of their burdens, nor any difficulty in collecting the taxes. On the contrary, each year ends with a handsome surplus, and each session of the Chambers witnesses a remission of taxation. . . .

Contented-
ness of
French
people.

"There is one other lesson taught by the figures, which is that, when France next engages in war, she will be found a formidable adversary even by the most powerful coalition. The greatness of her prosperity, and the command she now has of her own destinies, will prevent her from rushing into hostilities with a light heart ; if but she is once worked up to the fighting point, her vast army will be supported by wealth and credit equalled only in England and the United States. Even though she has lost Alsace and Lorraine, she now bears her enormous taxation as lightly as she bore the much smaller taxation of 1869. And, if driven to it, she could afford to spend a couple of hundred millions annually over and above her present expenditure for years together without being exhausted." . . .
—*The Saturday Review*, November 6, 1880.

France's
growing
strength for
war.

From an Edinburgh paper of 29th December 1880:—

"Few nations, however, will be able to look back on the last few years with the calm satisfaction enjoyed by France. . . . From this chaotic mass of ruins a new France has emerged, as strong, as prosperous, and seemingly as stable, as any that have gone before it. . . . This consummation has not been brought about by any quiet, inactive growth, but by the determined and energetic action of the French people. . . . There is abundant evidence of Gallic prosperity. The factories are all in full swing, iron and coal fear competition with no country in Europe, and the increase in railway traffic is so great, that the companies in several cases have had to get foreign countries to provide new machinery. The financial statistics of the country show conclusively that the activity displayed in these different branches is of no effervescent or transitory nature, but betokens a real prosperity among the people. . . . Statistics show without doubt that the average Frenchman, in point of economy and commercial enterprise, surpasses most and equals any countryman of Europe. . . . No branch or industry in France has during the last year been extraordinarily active. All that can be said is that railways, mines, factories, farms, and workshops have all been fairly busy."

Commercial
prosperity of
France.

X.

THE BOSTON SHIPPING CONVENTION.

[BY ANGLO-AMERICAN CABLE.]

PHILADELPHIA, October 8.

"Mr. William Bates, of Buffalo, opposed the granting of bounties, but, on the other hand, advocated the imposition of discriminating light and other duties on foreign vessels entering American ports.

"Mr. John Price Wetherill, of Philadelphia, said that Congress ought to grant bounties, so that they might compete with England's mail-subsidy system of supporting steamship lines. He said that to run an American Transatlantic steamer it cost \$700 monthly in wages more than it did for an English steamer of the same tonnage. He opposed free ships.

A bounty to
United
States ship-
builders
proposed.

"Mr. J. P. Townsend, of the New York Produce Exchange, proposed a compromise to the effect that a 10 per cent. bounty should be given to American shipbuilders; also that the purchase of foreign ships be permitted, provided that a 10 per cent. import duty be imposed on them.

"Mr. Henry Winsor, of the Philadelphia Board of Trade, thought that American shipbuilding should be encouraged, and that the Navigation Laws should remain unchanged. He opposed the admittance of foreign ships, even if an import duty be paid, as this would put the American stamp on something not American. 'We might as well,' he said, 'try to found a family by adopting other men's children.'

Mail steamer
subsidies.

"Mr. William H. Webb, of the New York Chamber of Commerce, said that the Americans paid from 90 to 110 million dollars in freights yearly to foreign carriers, and that every European nation encouraged shipping in various ways. He declared that America must do similarly by giving ocean mail subsidies, remitting the unjust duties on ship materials and stores, repealing taxation, reducing the owner's liability, and granting bounties of, say \$5 per ton on ships in the foreign trade. He opposed any policy tending to abandon American shipbuilding.

"Mr. John Ordway, of the Boston Merchants' Association, though not a shipowner, strongly advocated bounties to encourage American shipping.

"Mr. Seth Low, of New York, opposed the granting of bounties as a bold proposition. . . .

Opinion
strengthen-
ing.

"The Townsend compromise was defeated. . . . The proposition was adopted by 63 to 14. . . . The proceedings continue to attract great attention throughout the country. Several of the free-ship advocates went over to the other side on the final vote.—*Shipping Gazette*, 9th October 1880.

Y.

EXTRACT FROM "THE CHIEF CAUSE OF OUR WANT OF EMPLOYMENT
AND LOSS OF REVENUE."

"The United States are now the chief manufactory for the whole world for the following articles, in the making of nearly all of which England was once pre-eminent :—

| | | |
|-------------|---------------|------------------------|
| Rifles. | Pianofortes. | Agricultural imple- |
| Ammunition. | Joinery Work. | ments and machines. |
| Clocks. | Stoves. | Small machines and |
| Watches. | Furniture. | tools, such as drills, |
| Organs. | Locomotives. | axes, etc. |

Besides the above, the Americans successfully compete with us in the manufacture of hosts of other things with which we once supplied the world, such as locks, safes, machinery of all kinds, etc. We all know that there is scarcely a house of the lower and middle classes without an American clock, and these are to be seen by hundreds in the shops of every town. There are in London about a dozen agencies for American organs, and half that number for American stoves." Use of
American
articles.

"There is one remarkable aspect of the American Presidential election which, we will not say has been sedulously disguised from the English reading public. . . . Whatever else that election may signify, it is a protest of the most emphatic kind against free-trade. The entire tactics of the defeated party had to be changed in the middle of the contest in order to relieve its candidate from the dangerous and, as it turned out, the fatal charge of being an out-and-out free-trader. . . . In short, protection to domestic industry is wrapped up with all American history as well as with all American sentiment."—*St. James's Gazette*, 12th November 1880. United
States
emphatic
against free
trade.

'WOOL,' November 20, 1880, gives the following :—"Free-trade is not likely, in our day, to be adopted by this country. We have it among ourselves, and with the rapid development and growth of the country, that almost suffices."—*United States Economist*. What United
States
periodicals
say.

"Whose country [the United Kingdom] having lost its commercial foothold in the United States, is struggling to regain it, by seeking to induce our Government to adopt a policy which we believe would be disastrous to the vast manufacturing interests of the American people."—From the *New York Carpet Trade*.

Z.

A Prussian
Board of
Trade.

"The establishment of an Economic Council for Prussia (to be extended hereafter to the whole empire) was formally announced in Berlin yesterday. This is the first important result of Prince Bismarck's assumption of the office of Minister of Commerce. The members of the Council are to be selected by the Government from a list submitted by the Chambers of Commerce, and other bodies formed for the promotion of trade and industry. A certain proportion of the deputies will belong to the working classes, and it is intended that the advancement of their interests shall form one of the principal objects of the Council."—*St. James's Gazette*, 20th November 1880.

AA.

FROM "AN ESSAY ON THE STATE OF ENGLAND," BY JOHN CARY, 1695.

"A benefit to the nation are artificers, who bring advantage to the nation by supplying it with things which must otherwise be had from abroad for its own use, as also with others proper to be sent thither for sales. . . . It appears to be the great interest of England to advance its manufactures, . . . by discouraging the importation of commodities already manufactured. . . .

"I shall therefore lay down such general notions as may without dispute be allowed by all unbiassed persons, which are these:—

"*First*, That that trade is advantageous which exports our product and manufactures.

"*Second*, Which imports to us such commodities as may be manufactured here, or be used in making our manufactures.

"*Third*, Which encourages our navigation, and increases our seamen.

"One thing which I aim at, is to persuade the gentry to be more in love with our own manufactures, and to encourage the wearing them by their examples, and not of choice to give employment to the poor of another nation whilst ours starve at home.

"Refining of sugar hath given employment to our people, and added to their value in foreign parts, where we found great sales, till the Dutch and French beat us out; and this was much to be attributed to the duty of 2s. 4d. per cent. lately laid on Muscovado sugars, whereby they were wrought up abroad above twelve per cent. cheaper than at home, and though that law is now expired, yet 'tis harder to regain a trade when lost, than keep it when we have it."

FROM "THE INTEREST OF SCOTLAND CONSIDERED," 1733.

"The industrious will always go where industry is most encouraged, and where he may carry on his business with the greatest freedom, without any restraint or incumbrance."

Kind of
trade that
are advan-
tageous.

Gentry
should use
home stuffs

Value of
sugar refin-
ing business.

BB.

The following numerous clippings from various parts of the two volumes of *Le Négociant Anglais* are left in the language of the Continental edition, 1753, the translator's notes wherein are indicated by brackets.

From the *discours préliminaire* of the translator :—

“ Tandis que l'Angleterre et la Hollande avoient partagé entre elles le commerce de l'un et l'autre monde, la France n'avoit été occupée qu'à éteindre le flambeau de la discorde entre ses propres enfans, ou à se venger des ennemis qui l'avoient fomentée. Riche par l'abondance et la variété de ses productions naturelles, mais encore simple en ses besoins, elle songeoit même assez peu à multiplier la matiere de ses échanges : quelques soieries d'un luxe encore trop grand pour être commun, des toiles en petit nombre, des ouvrages de fer et d'acier, quelques mode' étoient les seuls objets de ses manufactures. Ses colonies reconnoissoient sa domination, mais leurs productions passaient entre les mains des Anglois et des Hollandois ; parce que l'intérêt du commerce se sépare bientôt des intérêts politiques, s'il ne reçoit de ceux-ci une protection constante et efficace.” . . .

Low state of French commerce in the seventeenth century

“ En 1664 une partie des droits qui se payoient dans l'intérieur du Royaume, et à la sortie des manufactures, fut supprimée ; ceux de l'entrée sur les marchandises étrangères furent augmentés. Les Anglois ne virent point sans jalousie un Monarque aussi capable d'exécuter les grandes entreprises, former un projet de cette importance : cependant diverses considérations calmoient en partie leurs allarmes. L'extraction de leurs manufactures jouissoit d'une franchise absolue, et les nôtres étoient encore assujettis à quelques droits, tant à la sortie, que dans l'intérieur de nos propres Provinces. Nos Arts ne pouvoient sortir si-tôt de leur enfance, pour atteindre à cette perfection, et à cette économie, déjà établies en Angleterre, et qui sont les fruits, soit du tems, soit de la diminution du bénéfice des ouvriers. Ce peuple, alors plus riche que nous en argent, et par une circulation mieux établie, possédoit, outre ces avantages, une qualité de laine, qui ne s'est encore rencontrée nulle part, quoiqu'il ne fût pas impossible de la remplacer. Il espéroit nous ruiner dans la concurrence avec d'autant plus de facilité, que le chef-lieu de chacune de ses manufactures se trouvant situé sur le bord de la mer, ou sur

compared with English.

Wool.

des rivières rendues navigables, et franches de péages, les expéditions s'y font à peu de frais ; au lieu que la plupart de nos marchandises l'ont par terre des trajets fort longs et fort dispendieux." . . .

"Louis XIV., pour soutenir son ouvrage, fut obligé de doubler les droits d'entrée sur les lainages étrangers en 1667." . . .

English
competition.

"Si les secours extraordinaires que le Gouvernement accordoit à toutes ces parties, étoient un grand présage de leurs succès ; d'un autre côté, dès que l'on fait attention à la nature des circulations du commerce, à la difficulté qu'on éprouve à ouvrir ses canaux, ou à les détourner, on conçoit aisément que la concurrence des Anglois étoit capable de retarder long-tems quelquesunes de nos opérations, même de nous dégoûter absolument de plusieurs autres." . . .

"The
British
merchant."

"Les adversaires du *Mercator* tirèrent un grand avantage de ces deux points contre sa bonne soi, et ils acheverent de l'accabler par le ridicule. Ils découvrirent qu'en 1704 il avoit soutenu dans un écrit public les maximes mêmes qu'il attaquoit. Le *Mercator* se retira après cette blessure mortelle, et ses feuilles ne sont aujourd'hui connues en Angleterre, que par le *British Merchant*, qui y est dans une très-haute estime.

"La véhémence, et si j'osois le dire, la violence du style que les esprits mélancoliques prennent quelquefois pour de l'éloquence, n'est pas le seul mérite de ce dernier ouvrage."

From *De l'Usage de l'Arithmétique Politique*, par M. Davenant, 1698.

Industry.

"La richesse de toutes les nations est le fruit du travail et de l'industrie du peuple : un bon dénombrement est donc le principe d'où doivent partir ceux qui veulent juger de la force et du pouvoir des Etats." . . .

Censuses.

Maximes générales sur le commerce, appliquées particulièrement au commerce de la Grande Bretagne avec la France.

"Un commerce est désavantageux à la nation—

Wise maxims
for commer-
cial legisla-
tion.

"1°. Quand il fait entrer des choses purement de luxe et d'agrément . . . tel est, selon moi, le commerce de vins. . . .

"2°. Un commerce est pernicieux qui tire de dehors des denrées, qui non seulement sont entièrement consommées chez nous, mais encore qui empêchent la consommation d'une pareille quantité des nôtres—tel est l'importation des eaux-de-vie, qui empêchent la consommation de nos esprits de malt et de mélasses. . . .

"3°. Ce commerce est évidemment mauvais qui introduit des

marchandises telles qu'on fabrique chez nous, surtout ce que nous en fabriquons peut suffire à notre consommation. Et je pense que telle est la cause du dépérissement des manufactures de soye, qu'avec beaucoup de travail et d'industrie nous avons amenées à leur perfection. . . .

" 4°. L'importation facile de marchandises dont un pays a déjà lui-même des manufactures est pernicieuse, parce qu'elle nuit au progrès de cette industrie dans le pays."

" On lui réplique que si c'étoit là le sens de ces mots, *les marchandises et denrées de l'Angleterre*, on l'eût expliqué ; ce qui n'a point été fait ; et dès-lors on doit entendre par ces mots en général, *les denrées et marchandises dont trafiquent les sujets de la Grande-Bretagne*. On s'appuie encore du Bill de commerce qui suit la même interprétation ; sçavoir, 'que le neuvième article du *Traité de commerce et de navigation doit s'étendre non-seulement aux marchandises du crû et des manufactures de la Grande-Bretagne, mais aussi à toutes les denrées et marchandises que les sujets de cette couronne importeront en France, ou auront droit d'y importer*.' " . . .

An important provision of the Treaty of Utrecht neglected in the Treaty of 1860.

" Telle est la conduite des Avocats du commerce de France ; j'y suppléerai en donnant des états d'importation et d'exportation qui démontreront que le commerce de France a toujours été ruineux à notre nation lorsqu'elle s'est relâchée des hauts droits ou des prohibitions. Cependant le nouveau Traité les supprime, tandis qu'à la lettre il augmente en France les droits et les prohibitions sur nos marchandises : d'où il faut conclure que notre exportation pour France sera moindre qu'auparavant, mais que l'importation de France sera au moins toujours la même ; par conséquent ce commerce nous sera plus préjudiciable que jamais.

France's trade always hurtful to England (1713).

" Je ne puis choisir une année moins favorable à ma proposition, que l'année 1685 ; ce fut celle où le Roi Jacques II. révoqua les prohibitions établies sous le Roi Charles II. Cette matière mérite l'attention de tout homme qui a quelque sentiment pour sa patrie." . . .

" Il est évident qu'une exportation de 400,000 livres en manufactures procure de l'emploi, et une subsistance à un nombre prodigieux de pauvres. Dans nos campagnes, on ne voit à la charge des Paroisses aucun ouvrier dont le travail lui procure 20 livres par an pour l'entretien de lui, de sa femme, et de trois ou quatre enfans. Ainsi en évaluant la subsistance dans chaque famille des ouvriers de la campagne à 4 livres par tête ; les 400,000 livres de manufactures exportées serviront à la subsistance de cent mille hommes. C'est un avantage considérable ; mais acheté trop cher,

Advantage of exporting manufactures.

si à son occasion le double d'hommes est en même tems privé de sa subsistance.

"On nous dit que *l'importation des marchandises étrangères est une dépense superflue qui ne coûte qu'à un petit nombre de personnes*; cela ne peut s'entendre que de l'argent qui est déboursé pour ces superfluités : mais leur usage prive un nombre infini d'hommes de leur subsistance.

Imports
from France
deprive
Englishmen
of subsist-
ence.
Navigation.

"Pour peu que l'on considère la nature du commerce de France, il est aisé de s'appercevoir qu'elle ne nous fournit aucune denrée qui ne soit en concurrence avec les nôtres." . . .

"La navigation doit être considérée comme une manufacture, et encouragée dans la même proportion que les autres, en ce qu'elle procure la subsistance à un grand nombre de pauvres. Plus il y aura de marchandises fabriquées en Angleterre, plus la navigation sera animée; par conséquent, si l'importation de 800,000 livres de manufactures de France diminue le travail des nôtres de 400,000 livres il est évident que la navigation perdra dans la même proportion. Mais n'y dût-elle rien perdre, où sera le profit de la Nation? Ne manquera-t-il pas toujours à nos manufacturiers pour 400,000 livres de travail qui eût également fait valoir la navigation?" . . .

["Il faut toujours séparer le gain du marchand du gain de l'Etat, comme on l'a vu dans les maximes qui sont à la tête de cet ouvrage." . . .]¹

"Je pense avoir suffisamment démontré que nos importations de France ne peuvent diminuer : il me reste à examiner si nos exportations seront les mêmes qu'auparavant. Il est aisé de décider que non." . . .

"Sera-ce donc un profit que de priver notre peuple des moyens de s'occuper et de subsister? De baisser le revenu de nos terres par l'inaction des manufactures? J'ai déjà prouvé tant de fois cette conséquence nécessaire du commerce de France que je n'insisterai pas davantage. Il est clair que ce que nous consommerons de ce pays diminuera la consommation ou de nos propres denrées, ou de celles que nous recevons d'ailleurs en échange des nôtres, ce qui ne nous arrive point avec la France." . . .

"Il est donc évident que non-seulement le commerce de France enrichiroit les trésors de la nation, mais encore qu'il priveroit notre peuple des moyens de subsister. L'emploi des hommes est une règle infaillible pour juger de l'avantage du commerce entre deux nations. Si celui que l'on nous propose occupe et nourrit un plus grand nombre d'ouvriers qu'auparavant, il est utile; s'il en occupe et en nourrit moins, il est ruineux; c'est par ce principe

¹ The passages bracketed are parts of notes by the French translator.

qu'il fut prohibé dans la trentième année du règne de Charles II. ; l'acte porte *qu'il diminueoit la valeur de nos manufactures et de nos productions.*" . . .

"Le million qui seroit payé chaque année pour la balance non-seulement diminueroit la masse de notre argent, mais encore il nourriroit en France un nombre d'hommes considérable que ce même argent auroit fait vivre chez nous en les occupant aux mêmes arts." . . .

"Le prix de la main d'œuvre est à si bon marché en France, Wages lower in France (1718). que malgré les droits que le Traité projeté laisseroit subsister, les manufactures de ce pays seroient pour la plupart à meilleur marché que les nôtres. Il est constant que nos ouvriers sont payés plus cher et que la vie leur coute davantage : l'on en doit conclure naturellement que nos ouvrages content beaucoup plus." . . .

["L'on conviendra sans peine que l'ouvrier en Angleterre en reçoit un salaire plus fort qu'en France ; mais non pas que le nécessaire physique y soit beaucoup plus cher dans les campagnes. Le superflu ou l'agrément y coute un peu plus, parce que ce sont les consommations seules qui payent ; mais cela même rend l'ouvrier plus industriel et plus curieux de son ouvrage : il pourroit vivre en s'appliquant moins, mais l'envie de vivre commodément redouble son travail, son étude, son génie ; ce n'est qu'en faisant très-bien qu'il remplit son but. Cette digression seroit la matière d'un volume intéressant : divers Ecrivains Anglois attribuent la perfection de la main d'œuvre dans leur pays à la cherté des salaires." . . .] A paradox nearer the truth than M. Molinari's Swiss manufacturer's pleas.

"Pour se convaincre pleinement que les François sont en concurrence avec nous pour les manufactures, il suffit de consulter leurs lois." . . .

"Il est évident que pour favoriser l'exportation des nôtres, le Gouvernement sera obligé de donner à nos manufacturiers une gratification équivalente." . . .

"J'ai déjà fait voir qu'aux termes mêmes du Traité, plusieurs de nos étoffes de laine sont prohibées en France ; que nos réexportations y sont également impossibles : nous ne sommes guères mieux traités pour l'exportation de nos pêches, de nos sucres et de nos bleds." . . . Just what is experienced now.

"Tout homme impartial jugera par ces faits, que réellement nos importations de France nuisent à notre exportation générale ; par conséquent à l'augmentation des profits et du capital de la nation, à la subsistance du peuple, aux consommations et à la valeur des terres." . . .

"La dernière chose que je considère dans mes réflexions sur le commerce est le gain du marchand. Son intérêt est tout-à-fait

séparé de l'Etat qu'il peut ruiner par des importations étrangères qui lui seront personnellement très-lucratives : dans ce cas ce n'est que sur la nation qu'il gagne. Ainsi son intérêt particulier ne la touche qu'autant qu'il se conforme aux vues générales : autrement ce gain ne peut être regardé que comme une rente que les laboureurs, les ouvriers, les propriétaires des terres, payent à des gens qui les ruinent par leur pernicieuse industrie." . . .

Our fisheries
no better
treated than
now.

"En vain le conseil de commerce a-t-il essayé de réformer les conditions du Traité sur l'entrée de nos poissons frais, secs, ou salés : il a demandé que son entrée fût libre comme en 1664 et sous les mêmes droits ; que les tares sur les caques ou barils fussent les mêmes que celles que l'on accordoit en Angleterre aux François ; le Roi Très-Chrétien a refusé d'y souscrire.

"Le *Mercator* continuera-t-il de nous dire que les François sont si ignorans dans le commerce et la navigation que ce n'est pas tant leur concurrence qu'il faut craindre que celle des Hollandois ? Je crois que nous devons nous garder de ces derniers, mon intention n'est pas de plaider pour eux ; mais je crois que les François sont plus dangereux pour nous dans plusieurs branches.

Scotch
herrings.

"Je conviens que les Hollandois font un commerce considérable de harengs blancs qu'ils pêchent sur les côtes de l'Ecosse : leur industrie est aussi louable que la négligence des Ecossois et des Anglois est honteuse." . . .

["Il est constant que la France faisoit valoir les pêches d'Ecosse et même de l'Angleterre avant les prohibitions du commerce. Le *Mercator* rapporte au nombre 52 que dans l'année 1687 il fut exporté pour France 62,810 quintaux de morue, 5153 barils de harengs, 489 barils de saumon sans compter les importations de l'Irlande." . . .]

"Pour mettre dans un plus grand jour nos intérêts de commerce avec la France, il est nécessaire de connoître jusqu'où peuvent monter ses ventes parmi nous, et l'état de nos manufactures dans le même genre.

"Je commencerai par les toiles, dont les anciens registres de la douane nous démontrent que l'importation de France excède trois fois la valeur de nos exportations pour elle en étoffes de laine." . . .

A sound
principle.

["Le premier objet d'un Etat est de se maintenir dans la plus grande indépendance possible des autres Etats ; c'est-là une première nécessité." . . .]

"Avant la prohibition du commerce de France nous ne faisons que du papier brun ; mais à la faveur des hauts droits et de la guerre qui survint, nos papetiers commencèrent à essayer de faire du papier blanc tant pour écrire que pour l'impression." . . .

"Il n'est pas possible de nous dissimuler que les François sont nos rivaux les plus dangereux : leur navigation est prodigieusement accrue ; nul peuple ne conçoit mieux aujourd'hui que la balance du commerce est le gage de la balance du pouvoir." . . .

"Cette vérité est d'expérience et reconnue par tous les négocians ; c'est par là comme je l'ai déjà remarqué que les François ont porté un grand préjudice à nos manufactures dans le pays étranger : déjà tous nos fabriquans en draps de pure laine d'Angleterre du prix de 7 à 9 livres la pièce se plaignent de n'en trouver aucun débouché. On vient de voir que la France est une étape considérable pour les laines ; le salaire des ouvriers y est moins cher de moitié et des deux tiers que parmi nous : pouvons-nous avoir des concurrens plus dangereux ?

English wool
and French
wages.

"Nos manufactures de laine sont la source de nos richesses, de notre population, de notre pouvoir, enfin de la prospérité de la nation. Des écrivains distingués nous assurent que le revenu de nos terres en laines monte à deux millions sterling ; et ils évaluent à six millions l'emploi qu'en font nos ouvriers dans tous les genres : le total de la valeur de ces manufactures est par conséquent de huit millions sterling.

"Nous devons apporter les soins les plus exacts et les plus jaloux à la conservation de ce trésor." . . .

CC.

OPINIONS OF ECONOMISTS.

Clippings from Adam Smith's *Wealth of Nations* :—

"If a foreign country can supply us with a commodity cheaper than we ourselves *can* make it, better buy it of them with some part of the produce of our own industry, employed in a way in which we have some advantage. . . . According to the supposition, that commodity could be purchased from foreign countries cheaper than it *can* be made at home ; it could therefore have been purchased with a part only of the commodities, or, what is the same thing, with a part only of the price of the commodities, which the industry employed by an equal capital would have produced at home, had it been left to follow its natural course. . . . By means of such regulations, indeed, a particular manufacture may sometimes be acquired sooner than it could have been otherwise, and after a certain time may be made at home as cheap, or cheaper, than in the foreign country. . . . The *natural* advantages which one country has over another, in producing particular commodities, are sometimes so great, that it is acknowledged by all the world to be in vain to struggle with them. . . . As long as the one country has those *advantages*, and the other wants them, it

Adam
Smith's
opinions.

Cases when
domestic
industry
should be
encouraged.

Navigation
laws.

Retaliation.

will always be more advantageous for the latter rather to buy of the former than to make. . . . If the free importation of foreign manufactures were permitted, several of the home manufactures would probably suffer, and some of them perhaps go to ruin altogether, and a considerable part of the stock and industry at present employed in them would be forced to find out some other employment. . . . There seems, however, to be two cases, in which it will generally be advantageous to lay some burden upon foreign, for the encouragement of domestic industry. The first is, when some particular sort of industry is necessary for the defence of the country. The defence of Great Britain, for example, depends very much upon the number of its sailors and shipping. The act of navigation, therefore, very properly endeavours to give the sailors and shipping of Great Britain the monopoly of the trade of their own country, in some cases, by absolute prohibition, and in others, by heavy burdens upon the shipping of foreign countries. . . . As defence, however, is of much more importance than opulence, the act of navigation is, perhaps, the wisest of all the commercial regulations of England. The second case, in which it will generally be advantageous to lay some burden upon foreign for the encouragement of domestic industry, is when *some* tax is imposed at home upon the produce of the latter. In this case, it seems reasonable that an equal tax should be imposed upon the like produce of the former. This would not give the monopoly of the home market to domestic industry, nor turn towards a particular employment a greater share of the stock and labour of the country, than what would naturally go to it. It would only hinder any part of what would naturally go to it from being turned away by the tax into a less natural direction, and would leave the competition between foreign and domestic industry, after the tax, as nearly as possible upon the same footing as before it. . . . As there are two cases in which it will generally be advantageous to lay some burden upon foreign for the encouragement of domestic industry, so there are two others in which it may sometimes be a matter of deliberation, in the one, how far it is proper to continue the free importation of certain foreign goods; and, in the other, how far, or in what manner, it may be proper to restore that free importation, after it has been for some time interrupted. The case in which it may sometimes be a matter of deliberation how far it is proper to continue the free importation of certain foreign goods, is when some foreign nation restrains, by high duties or prohibitions, the importation of some of our manufactures into their country. . . . There may be good policy in retaliations of this kind, when there is a probability that they will procure the repeal of the high duties or prohibitions complained of. The recovery of a great foreign market will generally more than compensate the transitory inconveniency of paying dearer during a short time for some sorts of goods. . . . The case in which it may sometimes be a matter of deliberation, how far, or in what manner, it is proper to restore the free importation of foreign goods, after it has been for some time interrupted, is when particular manufactures, by means of high duties or prohibitions upon all foreign goods which can come

into competition with them, have been so far extended as to employ a great multitude of hands. Humanity may in this case require that the freedom of trade should be restored only by slow gradations, and with a good deal of reserve and circumspection. Were those high duties and prohibitions taken away all at once, cheaper foreign goods of the same kind might be poured so fast into the home market, as to deprive all at once many thousands of our people of their ordinary employment and means of subsistence."

Clippings from Mill's *Political Economy*:—

"Taxes on foreign trade are of two kinds—taxes on imports and on exports. On the first aspect of the matter it would seem that both these taxes are paid by the consumers of the commodity; that taxes on exports consequently fall entirely on foreigners, taxes on imports wholly on the home consumer. The true state of the case, however, is much more complicated. By taxing exports, we may, in certain circumstances, produce a division of the advantage of trade more favourable to ourselves. In some cases we may draw into our coffers, at the expense of foreigners, not only the whole tax, but more than the tax: in other cases, we should gain exactly the tax; in others, less than the tax. . . . A country cannot be expected to renounce the power of taxing foreigners, unless foreigners will in return practise towards itself the same forbearance. The only mode in which a country can save itself from being a loser by the revenue duties imposed by other countries on its commodities, is to impose corresponding revenue duties on theirs. Only it must take care that those duties be not so high as to exceed all that remains of the advantage of the trade, and put an end to importation altogether, causing the article to be either produced at home, or imported from another and a dearer market. . . .

Export and
import
duties.

Retaliation.

"Of these false theories, the most notable is the doctrine of Protection to Native Industry; a phrase meaning the prohibition, or the discouragement by *heavy* duties, of such foreign commodities as are capable of being produced at home. . . . When the protected article is a product of agriculture, . . . the extra price is only in part an indemnity for waste, the remainder being a tax paid to the landlords. . . . A country which destroys or prevents altogether certain branches of foreign trade, thereby annihilating a general gain to the world, which would be shared in some proportion between itself and other countries—does, in some circumstances, draw to itself, at the expense of foreigners, a larger share than would else belong to it of the gain arising from that portion of its foreign trade which it suffers to subsist. But even this it can only be enabled to do, if foreigners do not maintain equivalent prohibitions or restrictions against its commodities. . . . The Navigation Laws were grounded, in theory and profession, on the necessity of keeping up a 'nursery of seamen' for the navy. On this last subject I at once admit, that the object is worth the sacrifice; and that a country exposed to invasion by sea, if it cannot otherwise

Mill's defini-
tion of pro-
tection.

Navigation
laws.

How would
Mill have
dealt with
foreign
shipping
bounties?

A general
principle
that unprac-
tical theo-
rizers ignore,
indicating
where nurs-
ing by pro-
tection or
otherwise is
vain and
where legiti-
mate.

have sufficient ships and sailors of its own to secure the means of manning on an emergency an adequate fleet, is quite right in obtaining those means, even at an economical sacrifice in point of cheapness of transport. When the English navigation laws were enacted, the Dutch, from their maritime skill and their low rate of profit at home, were able to carry for other nations, England included, at cheaper rates than those nations could carry for themselves; which placed all other countries at a great comparative disadvantage in obtaining experienced seamen for their ships of war. The Navigation Laws, by which this deficiency was remedied, and at the same time a blow struck against the maritime power of a nation with which England was then frequently engaged in hostilities, were probably, though economically disadvantageous, politically expedient. But English ships and sailors can now navigate as cheaply as those of any other country; maintaining at least an equal competition with the other maritime nations even in their own trade. The ends which may once have justified Navigation Laws, require them no longer, and afforded no reason for maintaining this invidious exception to the general rule of Free-Trade. . . . The only case in which, on mere principles of political economy, protecting duties can be defensible, is when they are imposed temporarily (especially in a young and rising nation) in hopes of naturalising a foreign industry, in itself perfectly suitable to the circumstances of the country. The superiority of one country over another in a branch of production, often arises only from having begun it sooner. There may be no inherent advantage on one part, or disadvantage on the other, but only a present superiority of acquired skill and experience. A country which has this skill and experience yet to acquire, may in other respects be better adapted to the production than those which were earlier in the field. . . . A protecting duty, continued for a reasonable time, will sometimes be the least inconvenient mode in which the nation can tax itself for the support of such an experiment. But the protection should be confined to cases in which there is good ground of assurance that the industry which it fosters will after a time be able to dispense with it; nor should the domestic producers ever be allowed to expect that it will be continued to them beyond the time necessary for a fair trial of what they are capable of accomplishing. . . . Cost of carriage is a natural protecting duty, which Free-Trade has no power to abrogate. . . . Such temporary protection is of the same nature as a patent, and should be governed by similar conditions. . . . American protectionists often reason extremely ill, but it is an injustice to them to suppose that their protectionist creed rests upon nothing superior to an economic blunder; many of them have been led to it much more by consideration for the higher interests of humanity, than by purely economic reasons. . . . They believe that a nation all engaged in the same, or nearly the same, pursuit—a nation all agricultural—cannot attain a high state of civilisation and culture. And for this there is a great foundation of reason."

Clippings from G. Baden-Powell's *Protection and Bad Times*, 1879 :—

Admissions and Indications.

"In one of Mr. Bright's speeches occurs the passage: 'The extraordinary distress in the United States is almost entirely to be attributed to their mistaken protective system; to their having misdirected so much capital; to their having, on the strength of high tariffs, promoted a great extension of business which could not be permanently sustained.' . . . Absolute free-trade will become fact when all nations live lives fractional and not integral. And at a stage when the tribes of the world are guided by a ruling spirit of integral selfishness, absolute free-trade is not to be looked for. . . . Partial free-trade is all that is possible under existing conditions. . . . Unhampered production is no less a necessity than unhampered exchange; and her own production is hampered by the 'private' action of foreign nations in certain cases. . . . Both of food and of raw material, the British Empire offers an inexhaustible and cosmopolitan supply—and a supply which shall not only suffice for its own wants, but serve with its surplus the wants of other nations. . . . England rises in her empire like the town of earlier stages of civilisation. Thither men bring what surplus they have to dispose of—and as matters grow the town is enabled to help them much—to secure their access to her markets—and to attract buyers from a distance. But there must be freedom of access: and this is nothing more than *free-trade within the empire*. And there are other productive advantages in a firmly knit empire, such as that of England. . . . The depression of 1878 has proved that there is a large margin of unemployable labour in England. Rapid improvements in machinery, in chemistry, in "applied science" generally, improve the efficiency of, but do not increase the demands for manual labour.

Mr. Bright's
idea as to
the worsted
trades.

Free-trade
does not get
fair play.

Free-trade
within
British
Empire.

From *A System of Political Economy*, by John Lancelot Shadwell. London, 1877:—

More Light wanted.

"The chief evil of a protective system lies in the encouragement which it gives to the natural indolence of all men, whether farmers, manufacturers, or shipowners, by limiting the field of the competition to which they are exposed. . . . The treaty sounded like an alarm bell in the ears of French manufacturers, and they at once set to work to introduce machinery of the most improved type and every new process which promised to facilitate production. We can hardly need a better proof of the backward condition of French manufactures before that time. . . .

An exag-
gerated
impression.

"Mr. H. Carey Baird contends . . . 'What is British Free Trade? It is that extraordinary governmental policy which would grant privileges to foreigners which it withholds from its own people? It is that system of legislation which would permit those foreigners to send the

Mr. Carey
Baird's
vindication
of protection
in United
States.

goods, wares, and merchandise, the products of their labour, into your country untaxed, without contributing toward the support of your city, town, county, state, or national Government. . . . Can such a system be based upon any principle of right or justice, or can it be expedient in any country or among any people?' . . . He regards it as a hardship that heavily-taxed American producers should have to face a competition of untaxed foreigners; but he seems to forget that foreign producers have their taxes to pay, though the American Government derives no benefit from them, and he quite omits to show that such taxation prevents Americans from selling their produce at as cheap a rate as foreigners. . . . Mr. Carey and other writers, both in the United States and in the British Colonies, who adopt this line of argument, derive some support from the well-known passage in Mill's *Political Economy*. . . . That this passage should have become popular among Protectionists of the United States and of the British Colonies, is natural enough, for, as Mr. Rogers says, 'The circumstances in which they are situated exactly square with the hypothesis of Mr. Mill.' . . . To quote again from Mr. Rogers:—'Every country enjoys a natural protection to its manufactures. When the article is cheap and bulky, the cost of carriage is equivalent to a prohibitive duty; when it is cheap and light, the same element of cost, amounting to a considerable percentage, is a protective impost. In the great majority of cases this charge and similar incidents attached to a foreign commerce, are abundantly sufficient to give a legitimate stimulus to home production.' [No.] . . .

Freight and
carriage.

Mr. Thornton.

"Mr. Thornton, in another essay, has treated the same subject in a different manner. . . . Other writers and speakers besides Mr. Thornton who have advocated the establishment of technical schools, have recommended that they should be supported out of national or local taxes, and have referred to the danger of foreign competition as furnishing a ground for prompt action. It is here that their arguments show a kinship to those of the Protectionists; for in both cases the contention is that the bulk of the community should be taxed in order that a particular class of producers may be enabled to find a market for their goods. Yet, if there is any ground for believing that technical education is a great advantage to artisans, the proper persons to bear the expense of it are the manufacturers who would benefit by it."

A strange
notion.

DD.

From *First Principles of Political Economy*, by Professor W. D. Wilson. Philadelphia, 1877:—

"A tariff for protection, if it be needed at all for that purpose, will raise the price of the imported article for the time being. But if it be an article which the labourers of that country can produce to advantage, the tariff will have the effect of creating an increased demand for labour, and thus, by raising the price of labour in all branches of industry, it will enable the people of the country generally

to buy the article more easily than before, even at the advanced price. . . . John Stuart Mill advocates protection. (*Political Economy*, Book v. chap. x. § 1.) . . . Shortly after Mr. Mill's death there appeared in the *New York Tribune* over the well-known initials G. W. S., the following :—

Effect of protection as enunciated by Mill.

“ Presently he touched upon Free Trade, a subject which I rather dreaded : but I made haste to ask him whether he still adhered to the well-known statement in his *Political Economy*, which Protectionists were in the habit of quoting in their own defence : to the effect, namely, that Free Trade was not an absolute doctrine, but a question of circumstances. “ Certainly,” was his answer, “ I have never affirmed anything to the contrary. I do not presume to say that the United States may not find protection expedient in their present state of development. I do not even say, that if I were an American I should not be a Protectionist.” He added that he believed the best of Protectionists held that doctrine as a temporary one, which they stood ready to exchange or modify, when the country should have proved itself able to compete with European manufactures.’

His adherence to his doctrine.

From *What is Free Trade?* by Emile Walter, a worker. New York, 1874 :—

“ We will quote the words of a manufacturer to the Chamber of Commerce at Manchester (the figures brought into his demonstration being suppressed) :—

“ Formerly we exported goods ; this exportation gave way to that thread for the manufacture of goods ; later, instead of thread, we exported machinery for the making of thread ; then capital for the construction of machinery ; and lastly, workmen and talent, which are the source of capital. All these elements of labour have, one after the other, transferred themselves to other points, where their profits were increased, and where the means of subsistence being less difficult to obtain, life is maintained at less cost. There are at present to be seen in Prussia, Austria, Saxony, Switzerland, and Italy, immense manufacturing establishments, founded entirely by English capital, worked by English labour, and directed by English talent.’

A Manchester manufacturer.

“ We may here perceive that Nature, with more wisdom and foresight than the narrow and rigid system of the protectionists can suppose, does not permit the concentration of labour, and the monopoly of advantages, from which they draw their arguments as from an absolute and irremediable fact. It has, by means as simple as they are infallible, provided for dispersion, diffusion, mutual dependence, and simultaneous progress ; all of which your restrictive laws paralyse as much as is in their power by their tendency towards the isolation of nations. By this means they render much more decided the differences existing in the conditions of production ; they check the self-levelling power of industry, prevent fusion of interests, neutralise the counterpoise, and fence in each nation within its own peculiar advantages and disadvantages.”

An overstated argument.

Too cosmopolitan.

DD.

From *Rocks Ahead ; or, The Warnings of Cassandra*, by W. R. Greg, 1874 :—

Very serious Monitions.

Coal.

"If (from the several agencies to which I shall presently allude) coal should fall to and remain at or near its former moderate price and if in consequence our manufactures (and, as a natural result our population) should continue to flourish and expand at their recent rate, then our *available* coal-fields will be exhausted in, say, *twelve* generations, and our *cheap* coal in less—possibly much less—than *six*. . . . If a given sum in wages, and a given sum in *plant*, and a further given sum in steam-power and other contingent expenses (very nearly the same for eight hours as for ten), have to be spread over 8000 pieces of calico, or 8000 tons of iron, instead of 10,000, it is obvious that each piece of calico and each ton of iron will cost proportionally more. . . . It has been thus succinctly stated :—

Cost of production.

"The cost of production of any article consists of two elements—the wages of labour, and what are technically called "contingent expenses"—i.e. the interest of the capital invested, both fixed and floating, the wear and tear or depreciation of the "plant" or machinery and buildings, and the outlay on sundry articles used in the processes, such as coal, oil, leather, etc., whose consumption does not bear a strict proportion to the hours of work. Now, these 'contingent expenses'—this second main element in the cost of production—are the same, or nearly the same, whatever be the hours of work ; they are almost as great for eight hours as for twelve, and must be reckoned rather by the year than by the day. The proportion which these bear to mere wages in the calculation of the cost of the articles produced, varies of course enormously according to the nature of the trade ; but probably it is a fair average to reckon that labour constitutes *two-thirds*, and "contingencies" (interest, etc.), *one-third* of the total. Now, the shorter the hours worked, and consequently the smaller the quantity of goods produced, the heavier will these fixed expenses—this unvarying and inescapable one-third—weigh upon each pound, or yard, or hundred-weight of those goods. . . .

Advantage of long hours.

Foreign competition.

"The gigantic works of Messrs. Krupp, at Essen, are now to be enlarged by the expenditure of a million of money in new *plant*,—and this at a time when our iron industry is under a cloud. Very recently a Small Arms Company in the United States carried off an order for a million sterling, in the face of both British and Belgian competition. It is well known, too, that our chief machine-makers are principally engaged upon Continental and American orders for machinery, all of which will be worked by our competitors for longer hours than those to which we are even now restricted. . . .

"Mr. Lowthian Bell in his Presidential Address to the Iron and Steel Institute (*Journal*, vol. i., 1873, p. 32), says :—

"During a journey, undertaken about five years ago, with Mr.

John Lancaster, through a great number of mines and ironworks in France, Belgium, and Prussia, we came to the following conclusion :— In many instances, the ironmasters on this side of the water were paying at that time nearly double the wages given abroad for similar work. . . .

“Do not let us be deluded into deceptive security by being told that our manufactures are increasingly swelling in extent, and that our exports continue even to countries which we are told are, or soon will be, successful rivals. The facts are so; but properly considered they in no way militate against my conclusions. I speak of causes in operation, not of effects completed or as yet largely visible—of results that must come and are slowly coming, not of *faits accomplis*. Our exports continue to increase, because the demands of the world are increasing; because even the countries which can produce more cheaply than we do, can as yet not quite meet even their own home requirements. . . . In this case England, in place of manufacturing for nearly the whole world, will manufacture only for a portion of it; she will have only her share, instead of twenty times more than her share as hitherto; instead of having *the pick* of the orders of the globe, she will have to be content with the *refuse*;—other nations, producing more cheaply than she can will have the preference in the market, and will reap larger profits, which larger profits again will so stimulate their productiveness, as infallibly ere long to edge her out altogether. . . . Cottons, woollens, rails, machinery, will be produced as heretofore, and in overflowing measure; they may be even produced by Englishmen, or by men of English race, as now,—but they will be produced by them, not in Lancashire, Staffordshire, Lanarkshire, or Yorkshire, but on the banks of the Ohio, at the foot of the Alleghany, or it may be even in more distant quarters still. . . . Commercial affairs flow for long in old channels, run long in old ruts; but when once they begin to leave the old ways, the new current they have chosen is not easily arrested or turned back. . . . All that is essential is that the transfer from the old scenes to the new should be easy and should be timely. Labourers and artisans will grow redundant here, but America, Australia, and New Zealand are clamouring and starving for them. . . . One evil remains, the way of escape from which I confess I do not see;—in all emigration that is not official and either assisted or forced, it is the energetic and capable who go, and the lazy and inefficient who remain behind. During the long weary process, therefore, we shall be losing the best of our artisan and agricultural population, and keeping the worst. . . . In his memorable Budget speech of May 3, 1866, Mr. Gladstone warned . . . unless the debt be vastly diminished while our sunshine of prosperity continues, the revenue we shall have to raise will probably not be much smaller than at present—£70,000,000. . . . The burden of taxation instead of being fourteen per cent. on the income, will be nearer thirty per cent.”

Inquiries made by Messrs. Bell and Lancaster.

Trade once lost difficult to recover.

EE.

AN AMERICAN FREE-TRADER'S ARGUMENT.

Dr. Perry, Professor of Political Economy, in his *Introduction to Political Economy*, New York, 1877, states a part of his argument as below,—most convincingly if the markets of *all the world* were open :—

Free-trade in
food surely?

"The commerce of the world is like the tides of the ocean—apparently disturbing, yet really regulating, the natural level. . . . *Free trade is the friend of the so-called labouring classes, while protection is their enemy.*"

A challenge-
able state-
ment.

The artisans of Great Britain will say—"Yes, increase of *demand* is good, but not good for us if it is demand for goods made in France," and will ask whether the French Treaty does not *lessen* the demand for what *they* make.

"The value of things produced depends in part upon the demand for them, and it always must be for the advantage of all those who contribute towards the production of any thing, that the demand for that product be as strong as possible. The wages-class are as much interested in having a strong demand for the products they help to create as are the capitalist-class, since wages quite as much as profits come out of the proceeds of the *sale* of those products. Whatever, then, tends to increase the *demand* for material products in general, must tend to the benefit of the wages-class. But free-trade must increase the demand for such products, inasmuch as it opens up for them a world-market in the place of a one-country market. Free trade allows foreigners to bring in their products freely to exchange against native products; foreign products cannot be bought beyond the point at which native products are sold; money may come in as a medium in both exchanges, as will be explained in the next chapter, but that does not alter the fact that at bottom it is an exchange of products other than money against products other than money; really the only reason why foreigners bring in their products is to get the native products in return; therefore, the demand for native products is necessarily increased by opening the ports freely to foreign products; and, therefore, the wages of those who labour on the native products now in enhanced demand must be enhanced also. I invite any protectionist, who feels disposed to try his hand at it, to break in two this simple chain of reasoning. I admit, that branches of business artificially brought in and sustained by protective duties, in competition with countries in which nature rather than law favours the production, may collapse in the healthful shock of free exchange, because they are too sickly for any healthful shock of any kind. Why

should they not collapse? There is no loss, on the whole, in their collapsing. They are unprofitable branches of business by confession, otherwise they would not demand to be supported out of the resources of the community, that is to say, by taxing their neighbours in order to continue to exist. The sooner all unprofitable branches of business cease to be prosecuted in any country, the better for that country and for the world. The prospect of ultimate profit under natural conditions is sufficient inducement to try all needful experiments in new directions of production; and the proper test of the propriety of continuing any branch of industry beyond the period of experiment is the natural, God-appointed test of free exchanges."

The free-trade meant is trade free to send to foreign markets—that which has entrance thereinto. The French Treaty keeps France shut, or will have that effect when she erects enough of manufactories (I do not speak of the products of *land*), and it tends to stifle our *not* "artificially brought in" industries.

"As an illustration of the effect of free-trade in increasing the demand for native products, I will give a few figures. . . . Under the commercial treaty with England, comparing 1860 with 1868, the volume of French commerce increased over 37 per cent. exports to England, over 155 per cent. of butter, more than twenty-fold; of eggs, nearly sixfold; of wines, fivefold; of silks, woollens, and cottons, nearly threefold. Whose labour produced these enormously increased exports? Whose wages were ever reduced by an enlarged demand for the products of labour?"

Doubtful
compliment
to French
Treaty.

"Whose labour? whose wages?" the Professor asks. "Why, of course, the Frenchmen's."

"What has become famous under the name of 'Protection' is nothing in the world but a shrewd scheme to raise certain prices by means of certain *taxes*."

What we advocate is not what he accuses—the old-fashioned "protection,"—and is *not* a "scheme to raise prices," but one for *retaining* our industries, which the President of the Board of Trade acknowledges there is on the part of the French an attempt to *bribe* away.

Legitimate
protection

FF.

Proposals of a Council of Trade, by William Paterson, founder of the Bank of England, often attributed to Law of Lauriston. (Edinburgh, 12mo, 1701, first ed. pp. 120):—

A one per cent. duty on imports into Scotland proposed.

Rewarding
Inventors

"Article 1st. That all manner of duties or impositions on growths, products, goods, or other merchandises to be exported from any the ports or places of this kingdom, may be taken off, excepting one per cent. of the value, by the name of entry-money only. 2. That all such growths and products of other countries as are and shall be proper to be manufactured or meliorated in this kingdom, may be freely imported without paying any duty excepting only one per cent. of the value by the name of entry-money. 3. That the present duties and impositions on all manner of foreign liquors and commodities not fit to be manufactured or meliorated in this kingdom, among which sugar and tobacco may be reckoned, may be doubled; but in order to lay the same as much as possible by way of excise or upon the consumption, and as little upon the merchant and navigation as may be, that there may be a term of twelve months at least given to the merchants or other importers, who shall give security for the payment of the duty or the exportation thereof within the limited term, always allowing and paying one per cent. of the value by the name of entry-money. . . . 5. That, excepting only the aforesaid duties, the trade, navigation, shipping, and fishings of this nation may be discharged of and be for ever free of all manner of duties and impositions due and payable to His Majesty, his heirs and successors, or any other whatsoever: provided always, that the council of trade may from time to time settle, regulate, and appoint all such rates as ships or vessels shall pay for lighthouses and pilotage, and likewise appoint and settle all such rates as shall be paid for wharfage or other shore dues in the several places of this kingdom. . . . It is true we find it the custom of not a few trading nations, as an encouragement to trade and industry, to grant monopolies of any new invention, or to those concerned in the first introducing of manufactures to a country; but in this we may observe that these monopolies are commonly granted but for fifteen, or hardly exceeding twenty years; and although this is true, yet these monopolies, as has been said, be not so pernicious as they are commonly taken for, that this be indeed one way of learning of arts unto and improving industry in a nation, yet surely it is so far from being the best way, for the most part, much better for a prince to encourage the inventor or treble the sum gained by the monopoly as a reward to the introducer; since it not only, for the time, encourages the inventor or five, but it may be eight or ten, times more the matter, but not seldom proves so bad a measure to balk the further growth and that the monopoly is at an end."

GG.

THE TREATY OF COMMERCE BETWEEN ENGLAND AND FRANCE.

THE ENGLISH TEXT.

Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, and His Majesty the Emperor of the French, being equally animated with the desire to draw closer the ties of friendship which unite their two peoples and wishing to improve and extend the relations of commerce between their respective dominions, have resolved to conclude a Treaty for that purpose, and have named as their Plenipotentiaries, that is to say :

Her Majesty the Queen of the United Kingdom of Great Britain and Ireland, the Most Honourable Henry Richard Charles Earl Cowley, Viscount Dangan, Baron Cowley, a peer of the United Kingdom, a member of Her Britannic Majesty's Privy Council, Knight Grand Cross of the Most Honourable Order of the Bath, Her Majesty's Ambassador Extraordinary and Plenipotentiary to the Emperor of the French; and Richard Cobden, Esquire, a member of the British Parliament;

His Majesty the Emperor of the French; M. Baroche, Grand Cross of the Imperial Order of the Legion of Honour, etc., a member of his Privy Council, President of his Council of State, provisionally charged with the Department of Foreign Affairs; and M. Rouher, Grand Officer of the Imperial Order of the Legion of Honour, etc., Senator, his Minister and Secretary of State for the Department of Agriculture, Commerce, and Public Works;

Who, after having communicated to each other their respective full powers, found in good and due form, have agreed upon and concluded the following articles :—

ARTICLE I. His Majesty the Emperor of the French engages that on the following articles of British production and manufacture, imported from the United Kingdom into France, the duties shall in no case exceed 30 per cent. *ad valorem*, the two additional decimes included.

The articles are as follows :—Refined sugar; turmeric in powder; rock crystal worked; iron forged in lumps or prisms; brass wire (copper alloyed with zinc), polished or unpolished, of every description; chemical productions, enumerated or non-enumerated; extracts of dye-woods; garancine; common soap of every description, and perfumed soap; stoneware and earthenware, fine and common; china and porcelain ware; glass, crystal, mirrors, and plate-glass; cotton yarn; worsted and woollen yarn of every description; yarns of flax and hemp; yarns of hair, enumerated or non-enumerated; cotton manufactures; horsehair manufactures, enumerated or non-enumerated; worsted and woollen manufactures, enumerated or non-enumerated; cloth list; manufactures of hair; silk manufactures;

manufactures of waste and floss-silk; manufactures of bark and all other vegetable fibres, enumerated or non-enumerated; manufactures of flax and hemp; mixed manufactures of every description; hosiery; haberdashery and small wares; manufactures of caoutchouc and gutta-percha, pure or mixed; articles of clothing, wholly or in part made up; prepared skins; articles of every sort manufactured from leather or skins, included or not under the denomination of smallwares, fine or common; plated articles of every description; cutlery; metal wares, whether enumerated or not; pig and cast-iron of every description, without distinction or weight; bar and wrought iron, with the exception of the kinds specified in Article XVII.; steel; machinery, tools, and mechanical instruments of every description; carriages on springs, lined and painted; cabinet ware, carved work, and turnery of every description; worked ivory and wood; brandies and spirits, including those not distilled from wine, cherries, molasses, or rice; ships and boats. With respect to refined sugar and chemical productions, of which salt is the basis, the excise or inland duties shall be added to the amount of the above specified duties.

ARTICLE II. His Imperial Majesty engages to reduce the import duties in France on British coal and coke to the amount of fifteen centimes for the hundred kilogrammes, with the addition of two decimes.

His Majesty the Emperor also engages, within four years from the date of the ratification of the present treaty, to establish upon the importation of coal and coke by land and by sea, a uniform duty, which shall not exceed that which is fixed by the preceding paragraph.

ARTICLE III. It is understood that the rates of duty mentioned in the preceding articles are independent of the differential duties in favour of French shipping, with which duties they shall not interfere.

ARTICLE IV. The duties *ad valorem* stipulated in the present Treaty shall be calculated on the value at the place of production, or fabrication of the object imported, with the addition of the cost of transport, insurance, and commission necessary for the importation into France as far as the port of discharge.

For the levying of these duties, the importer shall make a written declaration at the Custom-house, stating the value and description of the goods imported. If the Custom-house authorities shall be of opinion that the declared value is insufficient, they shall be at liberty to take the goods on paying to the importer the price declared, with an addition of 5 per cent.

This payment, together with the restitution of any duty which may have been levied upon such goods, shall be made within the fifteen days following the declaration.

ARTICLE V. Her Britannic Majesty engages to recommend to Parliament to enable her to abolish the duties of importation on the

following articles :—Sulphuric acid and other mineral acids ; agates and cornelians, set ; lucifers of every description ; percussion caps ; arms of every description ; jewels, set ; toys ; corks ; brocade of gold and silver ; embroideries and needle-work of every description ; brass and bronze manufactures and bronzed metals ; canes, walking canes or sticks, umbrella or parasol sticks, mounted, painted, or otherwise ornamented ; hats, of whatever substance they may be made ; gloves, stockings, socks, and other articles of cotton or linen, wholly or in part made up ; leather manufactures ; lace manufactured of cotton, wool, silk, or linen ; manufactures of iron and steel ; machinery and mechanical instruments ; tools and other instruments ; cutlery and other articles of steel, iron, or cast-iron ; fancy ornaments of steel and iron ; articles covered with copper by galvanic process ; millinery and artificial flowers ; raw fruits ; gloves and other leather articles of clothing ; manufactures of caoutchouc and gutta-percha ; oils ; musical instruments ; worsted and woollen shawls, plain, printed, or patterned ; coverlids ; woollen gloves, and other worsted and woollen manufactures not enumerated ; handkerchiefs, and other manufactures not enumerated, of linen and hemp ; perfumery ; cabinet ware, carved work, and turnery of every description ; clocks, watches, and opera-glasses ; manufactures of lead, enumerated or not enumerated ; feathers, dressed or not ; goat's, and other hair manufactures ; china and porcelain ware ; stone and earthenware ; grapes ; sulphate of quinine ; salts of morphine ; manufactures of silk, or of silk mixed with any other materials, of whatever description they may be ; articles not enumerated in the tariff, now paying an *ad valorem* duty of 10 per cent. ; subject, however, to such measures of precaution as the protection of the public revenue may require, against the introduction of materials liable to Custom or Excise duties, in the composition of articles admitted duty free in virtue of the present paragraph.

ARTICLE VI. Her Britannic Majesty engages also to propose to Parliament that the duties on the importation of French wine be at once reduced to a rate not exceeding three shillings a gallon, and that from the 1st April 1861 the duties on importation shall be regulated as follows :—1. On wine containing less than fifteen degrees of proof spirit verified by Sykes's hydrometer, the duty shall not exceed one shilling a gallon. 2. On wine containing from fifteen to twenty-six degrees, the duty shall not exceed one shilling and sixpence a gallon. 3. On wine containing from twenty-six to forty degrees, the duty shall not exceed two shillings a gallon. 4. On wine in bottles, the duty shall not exceed two shillings a gallon. 5. Wine shall not be imported at any other ports than those which shall be named for that purpose before the present treaty shall come into force ; Her Britannic Majesty reserving to herself the right of substituting other ports for those which shall have been originally named, or of increasing the number of them. The duty fixed upon the importation of wine at ports other than those named, shall be two shillings a gallon. 6. Her Britannic Majesty reserves to herself the power, notwithstanding the provisions of this article, to fix the maximum amount of proof spirit

which may be contained in liquor declared as wine, without, however, the maximum being lower than thirty-seven degrees.

ARTICLE VII. Her Britannic Majesty promises to recommend to Parliament to admit into the United Kingdom merchandise imported from France, at a rate of duty equal to the excise duty which is or shall be imposed upon articles of the same description in the United Kingdom. At the same time, the duty chargeable upon the importation of such merchandise may be augmented by such a sum as shall be equivalent for the expenses which the system of excise may entail upon the British producer.

ARTICLE VIII. In accordance with the preceding article, her Britannic Majesty undertakes to recommend to Parliament the admission into the United Kingdom of brandies and spirits imported from France, at a duty exactly equal to the excise duty levied upon home-made spirits, with the addition of a surtax of 2d. a gallon, which will make the actual duty payable on French brandies and spirits 8s. 2d. the gallon.

Her Britannic Majesty also undertakes to recommend to Parliament the admission of rum and tafia imported from the French colonies, at the same duty which is or shall be levied on these same articles imported from the British colonies.

Her Britannic Majesty undertakes to recommend to Parliament the admission of paper-hangings imported from France, at a duty equal to the excise tax, that is to say, at fourteen shillings per hundredweight; and cardboard of the same origin at a duty which shall not exceed fifteen shillings per hundredweight.

Her Britannic Majesty further undertakes to recommend to Parliament the admission of gold and silver plate imported from France, at a duty equal to the stamp or excise duty which is charged on British gold and silver plate.

ARTICLE IX. It is understood between the two high contracting Powers, that if one of them thinks it necessary to establish an excise tax or inland duty upon any article of home production or manufacture which is comprised among the preceding enumerated articles, the foreign imported article of the same description may be immediately liable to an equivalent duty on importation.

It is equally understood between the high contracting Powers, that in case the British Government should deem it necessary to increase excise duties levied upon home-made spirits, the duties on the importation of wines may be modified in the following manner :—

For every increase of a shilling per gallon of spirits on the excise duty, there may be, on wines which pay one shilling and sixpence duty, an augmentation not exceeding one penny halfpenny per gallon; and on wines which pay two shillings, an augmentation not exceeding two pence halfpenny per gallon.

ARTICLE X. The two high contracting Parties reserve to them-

selves the power of levying upon all articles mentioned in the present Treaty, or upon any other article, landing or shipping dues, in order to pay the expenses of all necessary establishments at the ports of importation and exportation.

But in all that relates to local treatment, the dues and charges in the ports, basins, docks, roadsteads, harbours, and rivers of the two countries, the privileges, favours, or advantages which are or shall be granted to national vessels generally, or to the goods imported or exported in them, shall be equally granted to the vessels of the other country, and to the goods imported or exported in them.

ARTICLE XI. The two high contracting Powers engage not to prohibit the exportation of coal, and to levy no duty upon such exportation.

ARTICLE XII. The subjects of one of the two high contracting Powers shall, in the dominions of the other, enjoy the same protection as native subjects in regard to the rights of property in trade-marks and in patterns of every description.

ARTICLE XIII. The *ad valorem* duties established within the limits fixed by the preceding Articles shall be converted into specific duties by a Supplementary Convention, which shall be concluded before the 1st of July 1860. The medium prices during the six months preceding the date of the present Treaty shall be taken as the basis for this conversion.

Duties shall, however, be levied in conformity with the basis above established—1. In the event of this Supplementary Convention not having come into force before the expiration of the period fixed for the execution by France of the present Treaty ; 2. Upon those articles the specific duties on which shall not have been settled by common consent.

ARTICLE XIV. The present Treaty shall be binding for the United Kingdom of Great Britain and Ireland, so soon as the necessary legislative sanction shall have been given by Parliament, with the reserve made in Article VI. respecting wines.

Further, her Britannic Majesty reserves to herself the power of retaining, upon special grounds, and by way of exception, during a period not exceeding two years, dating from the 1st of April 1860, half of the duties on those articles, the free admission of which is stipulated by the present Treaty.

This reserve, however, does not apply to articles of silk manufacture.

ARTICLE XV. The engagements contracted by His Majesty the Emperor of the French shall be fulfilled, and the tariffs previously indicated as payable on British goods and manufactures shall be applied, within the following periods :—1. For coal and coke, from the

1st July 1860. 2. For bar and pig iron, and for steel of the kinds which are not subject to prohibition, from the 1st October 1860. 3. For worked metals, machines, tools, and mechanical instruments of all sorts, within a period which shall not exceed the 31st December 1860. 4. For yarns and manufactures in flax and hemp, from the 1st June 1861. 5. And of all other articles from the 1st October 1861.

ARTICLE XVI. His Majesty the Emperor of the French engages that the *ad valorem* duties payable on the importation into France of merchandise of British production and manufacture, shall not exceed a maximum of 25 per cent. from the 1st of October 1864.

ARTICLE XVII. It is understood between the two high contracting Powers, as an element of the conversion of the *ad valorem* duties into specific duties, that for the kinds of bar iron which are at present subjected on importation into France to a duty of ten francs, not including the two additional decimes, the duty shall be seven francs on every hundred kilogrammes until the 1st of October 1864, and six francs from that period, including in both cases the two additional decimes.

ARTICLE XVIII. The arrangements of the present Treaty of Commerce are applicable to Algeria, both for the exportation of her produce, and for the importation of British goods.

ARTICLE XIX. Each of the two high contracting Powers engages to confer on the other any favour, privilege, or reduction in the tariff of duties of importation on the articles mentioned in the present Treaty, which the said Powers may concede to any third Power. They further engage not to enforce one against the other any prohibition of importation or exportation, which shall not at the same time be applicable to all other nations.

ARTICLE XX. The present Treaty shall not be valid unless her Britannic Majesty shall be authorised by the assent of her Parliament to execute the engagements contracted by her in the Articles of the present Treaty.

ARTICLE XXI. The present Treaty shall remain in force for the space of ten years, to date from the day of the exchange of ratifications; and in case neither of the high contracting Powers shall have notified to the other, twelve months before the expiration of the said period of ten years, the intention to put an end to its operation, the Treaty shall continue in force for another year, and so on from year to year, until the expiration of a year, counting from the day on which one or other of the high contracting Powers shall have announced its intention to put an end to it.

The high contracting Powers reserve to themselves the right to introduce, by common consent, into this Treaty any modification which is not opposed to its spirit and principles, and the utility of which shall have been shown by experience.

ARTICLE XXII. The present Treaty shall be ratified, and the

ratifications shall be exchanged at Paris within the period of fifteen days, or sooner if possible.

In faith whereof, the respective Plenipotentiaries have signed it, and affixed thereto the seal of their arms.

Done in duplicate at Paris, the twenty-third day of January, in the year of our Lord one thousand eight hundred and sixty.

(L.S.) COWLEY.
(L.S.) RICHARD COBDEN.
(L.S.) V. BAROCHE.
(L.S.) F. ROUHER.

In the official correspondence published along with the Treaty occur the following significant passages :—

Lord Cowley wrote :—" Nothing would tend more to allay the irritation which unfortunately prevailed on both sides the Channel ;" and Earl Russell :—" They attach a high social and political value to the conclusion of a commercial treaty with France."

Are not the following words suggestive ?—

" The merits," says Lord Cowley, " of whatever may be affected will rest solely with him (Mr. Cobden), and it is but fair that he should have the satisfaction of putting his name to the final arrangement. I could feel no jealousy on such an occasion."

[illegible][illegible]

Days taken per hundred in sum-
mer, , , , 24 w's

| | |
|----------------------------------|---------|
| Blackish for beds, per cent., | 13 sols |
| Maximum of all sorts, containing | |
| 1% oil, | 35 sols |

五

| | |
|--|--------------------|
| Horses under the value of 30 crown. | 3 liv. |
| Horses above 30 crown. | 20 liv. |
| Carriage of leather for horses, incl. with value. | 10 liv. |
| | <i>ad valorem.</i> |
| Total pack leather per cent. | 6 liv. |
| Wages of Jacks Hires per 100, | 5 sols |
| Extra Hires, or yokes for Cows and Oxen, per cent. | 15 sols |
| Hammocks red re dried, the last containing 12 barrels, each containing 1000. | 15 liv. |

| | |
|--|---------|
| 12 barrels, | 16 liv. |
| Hose made of Cotton, per doz., | 40 sols |
| Ditto of Silk, per pair, | 15 sols |
| Ditto large turning down, to pay in proportion. | |
| Two pair of Stirrup Hose to pay as one. | |

Hose made of Thread, per doz. . 50 sols
Ditto to use in boots made of
Woolen Yarn, per doz., 3 liv. 12 sols
Ditto made of Worsted Yarn,
long and short, per doz., . 36 sols
Hats of Straw, per doz., . 3 sols
Hats of Castor, per doz., . 36 liv.
Ditto half Castor, per doz., . 18 liv.
Ditto Vigogne, per doz., . 12 liv.
Ditto Felts of all sorts of Wool
and Hairs and make, per doz., 6 liv.

I

Iron wrought as Nails, and other
such like manufacture, per
cent., . 12 sols
Iron wrought black, of several
other sorts, per cent., . 32 sols
Iron wrought bright is mentioned in the
article called in French Merceries.

K

Keraies, called by the French *Molletons*,
or Double Kersies friez'd or plain,
containing 26 ells per piece, 6 livres.

L

Lead, per cent., . 10 sols
Leather Jumps for the heels, per
cent., . 40 sols
Laces Gimps made of Silk, per
pound, . 4 liv.
Lead white, per cent., . 15 sols
Ditto red, per cent., . 20 sols

These several sorts of Wares are men-
tioned in the letter M of the said
Tarif, which in French are called
Merceries, and are to pay per hundred-
weight, 4 liv. :—

Amber yellow in *Paternoster* strings or
other Works.

Beads for *Paternoster*.

Beads of Jet, smooth or rough.

Buttons of Thread, Wool, Yarn, Hair
or Glass.

Boxes of Wood, and with Iron, plain or
painted.

Babies.

Brushes.

Bandeliers.

Combs of Wood or Box.

Counters.

Cushions for Pins.

Crossbows.

Cards to play.

Carpets of Linnen painted or such like.

Cabinets of small value from Germany.

Drums.

Daggers.

Gut-strings.

Girdles of Thread or Yearn.

Girts and Girt-wed.

Hatbands without Gold or Silver.

Hour Glasses.

Handles for all Blades.

Inkhorns.

Knives of all sorta.

Leather of several sorts with Paint.

Looking-Glass frames of Wood.

Moulds for Buttons.

Nails for Saidlers.

Nails for Shoemakers.

Needles.

Purses of Leather, Wool, or Yarn.

Penknives.

Pencils.

Quils to make Pens, etc.

Rackets.

Rubens.

Scizers of all sorts.

Spurs.

Stirrups.

Sword-blades.

Sword-hilts.

Spoons of Box or Wood.

Thimbles.

Whistles.

N

Nails, and such other Iron Manu-
facture, per cent., . 12 sols

O

Ox or Cow hides in the Hair, per

cent., . 50 sols

Ditto tanned, per doz., . 12 liv.

Ditto dried, each, . 5 sols

Ditto green or salted, each, . 10 sols

Oker red, white, yellow, or black,
per barrel, . 10 sols

P

Paper painted of several sorts,

per cent., . 40 sols

Pewter or Tin unwrought fine or

course, per cent., . 50 sols

Ditto wrought, per cent., . 5 liv.

S

Salmon salted or in pickle, the 6

or 8 barrels, . 6 liv.

Steel unwrought, per cent., . 28 sols

Sea Coals, per barrel, . 8 sols

Sealing-wax, per cent., . 6 liv.

Soap hard, per cent., . 3 liv. 10 sols

Ditto soft, black, green, or liquid,

per cent., . 2 liv.

Serges, containing 20 ells, . 6 liv.

Ditto called Cloth Serges 13 to
15 ells, . 10 liv.

| | |
|---|---|
| Shoes new, per doz., . . . 20 sols | W |
| Ditto old, per doz., . . . 2 sols | Woolen Cloth of all colours, con- |
| Starch, per cent., . . . 14 sols | taining 25 ells the pieces, . . 40 liv. |
| Socks made of Wollen Yarn, per | Ditto called Dozens, not exceed- |
| doz., . . . 15 sols | ing the value of 8 liv. per ell, |
| | the pieces containing 9 or 10 |
| T | ells, . . . 4 liv. 10 sols |
| Teezles for Clothiers, containing | Ditto double pieces to pay in pro- |
| 150 l., . . . 20 sols | portion, and a higher value to |
| Tallow of all sorts, per cent., . 30 sols | pay as fine English Cloth. |

TEXT OF MERCANTILE MARINE BILL.

(Translation.)

ARTICLE 1. The right of free pilotage is granted to all sailing vessels not measuring over 80 tons, and to steamers whose measurement does not exceed 100 tons, whenever they run regularly between port and port, and habitually frequent the entrances to rivers.

Nevertheless, at the request of the Chamber of Commerce, and after an inquiry in the usual form has been made, the public administrative regulations shall determine the modifications of rules which may be considered necessary in the interest of navigation.

Art. 2. For foreign-going vessels the visit of inspection prescribed by Article 225 of the Commercial Code for a fresh cargo loaded in France shall not be obligatory unless six months have elapsed since the last inspection, except the vessel may have sustained damage.

Art. 3. For the official documents or *procès-verbaux* showing the changes of owners of the ship, either totally or partially, a fixed charge shall be made for registration of 5 fr. Article 5, No. 2, of the Law 28th February 1872, is repealed so far as it is contrary to the present provision.

Art. 4. To compensate shipbuilders for the charges fixed by the Custom-house Tariff, the following allowances shall be made to them:—

For gross tonnage—

For iron or steel vessels, 60 fr.

For wooden vessels of 200 tons or more, 20 fr.

For wooden vessels of less than 200 tons, 10 fr.

For composite vessels, 40 fr.

For engines placed on board steamers, and for auxiliary apparatus, such as steam-pumps, donkey-engines, winches, ventilators worked by machinery, also boilers and connecting pipes, 12 fr. per 100 kilog.

Ships planked with timber, having beams and ribs of iron or steel, are to be considered as composite vessels.

Art. 5. Every change in a ship by which an increase in measurement is gained shall give right to a bounty, based on the above Tariff according to the increase of tonnage gained.

A similar bounty shall be granted for driving engines and auxiliary apparatus placed on board after completion of the ship.

On change of boilers, the owner shall be allowed a compensation allowance of 8 fr. per 100 kilog. on new boilers without the tubes, if of French make.

Art. 6. The fees granted by Articles 4 and 5 shall be paid on delivery of the ship's register by the Receiver of Customs at the port nearest to the place of construction.

Art. 7. The regulation of admission in bond fixed by Article 1 of the Law of the 19th May 1866, and by Article 2 of the Law of the 17th May 1879, is abolished.

Art. 8. Shipbuilders shall receive allowances for vessels on the stocks at the time when the present laws shall come into force, as stipulated in Articles 4 and 5, after deducting the amount of Customs dues fixed by the Conventional Tariff on foreign imports which may have been entered in bond for shipbuilding purposes.

Art. 9. As compensation for charges imposed on the mercantile navy for recruiting and the military navy, a navigation bounty shall be granted, during ten years from the date of publication of this law, to all French vessels, sailing or steam.

This bounty is applicable only to foreign-going vessels.

It is fixed at 1 fr. 50 c. per register ton and per 1000 miles run for vessels fresh off the stocks, and decreases annually by—

0·075 fr. for wooden vessels ;

0·075 fr. for composite vessels ;

0·05 fr. for iron vessels.

The bounty is increased by 15 per cent. for steamers built in France according to plans approved of by the Marine Department.

The number of miles run is calculated according to the distance from the point of departure to the point of arrival, measured on a direct maritime line.

In case of war, merchant-ships can be requisitioned by the State.

Vessels used for fishing, those belonging to subsidised lines, and yachts, are excepted from receiving a bounty.

Twenty per cent. from the bounty granted by the present law shall be deducted and paid into the "Caisse des Invalides" of the marine, so as to increase the retiring pensions of registered seamen.

Art. 10. Every master of a vessel receiving a bounty fixed by Article 9 of the present law shall be obliged to carry, free of charge, mails put under his charge by the Post-Office authorities, or which he will deliver to their administration as prescribed in the Consular Decrees of the 19th Germinal, year X.

If a Post-Office agent is deputed to accompany the despatches, he shall also be conveyed free of charge.

Art. 11. A regulation of public administration, containing a special statement of the distances between ports, shall fix the system on which this law shall be applied.

I may be pardoned for adding a word to call attention to the facility (so skilfully turned to account in the preceding) which the great number of aliens whom we employ for British seamen presents, for a most unpleasant and probably a contemplated result, viz., the transference of the finest British ships and a large part of their crews to France. The advantages assured her by treaty, proving after twenty years' experience insufficient to give her a large mercantile marine, are, in consistency with a well-defined policy, to be supplemented in a way so thoroughgoing that a government disposed to follow good antecedents must seriously consider, What now on our side?

There are two recent changes in the manner of conducting business which affect the position of our country and demand attention, in connection with the subjects we have been treating of :—

1. Whereas in old times commodities used to be made and thereafter sold, it is now usual to sell and thereafter make. Consequently the fear of combinations and strikes (which may be reckoned a new feature) causes a difficulty in the way of entering into contracts. These do not embarrass foreign manufacturers to nearly the same extent as ours. In the *Collections of the Acts of Parliament relating to the Linen Manufacture*, Edinburgh, 1751, the Act Geo. II. is reprinted. It contains the following embodiment of a *principle* which it may be expedient, for the sake of all concerned, to give *due* effect to :—

“§ 9. And, for the better regulating of the journeymen and other persons employed as manufacturers or workers in the manufacture of felts or hats, and in the woollen, linen, fustian, cotton, iron, mohair, furr, hemp, flax, or silk manufactures, or any manufactures made up of wool, furr, hemp, flax, linen, cotton, mohair, or silk, or any of the said materials mixed one with another, be it further enacted by the authority foresaid, That if any person who, at any time after the said Twenty fourth day of *June*, One thousand seven hundred and forty-nine, shall be hired, retained, or employed to prepare or work up any of the manufactures herein before mentioned for any one master, shall neglect or refuse the performance thereof, by procuring, or permitting himself or herself to be subsequently retained or employed by any other master or person whatsoever, before he or she shall have completed the work which he or she was first and originally so hired, retained, or employed to perform, and which was first delivered to him or her, then, and in every such case, the person so offending, etc. . . . And whereas by an Act made in the twelfth year of the reign of his late Majesty King George the First, intituled, *An Act to prevent unlawful Combinations of Workmen employed in the Woollen Manufactures, and for better Payment of their Wages*, . . . if any person retained or

employed as a wool comber or weaver, or servant in the art or mystery of a wool comber or weaver, shall depart from his service before the end of the time for which he is hired or retained, or shall quit or return his work before the same shall be finished according to agreement, unless it be for some reasonable cause to be allowed by two or more Justices of the Peace within their respective jurisdictions, every person so offending, being thereof convicted in manner prescribed by the said Act, shall be," etc.

2. Centralisation and direct communication are now dominant : certainty, regularity, and rapidity of despatch of goods ordered or contracted for are indispensable. Hence the necessity is greater than of old of maintaining our steam-packet lines.

The taunt of the First Napoleon, that the British are a nation of shopkeepers, has been but too effectual. We are probably, in consequence of it, becoming (what is so pernicious in individuals' affairs) "above our business," while the French are becoming notable for that quiet persistent attention to business in its details, that contentment with the required restraints and obloquy, and those thrifty and plodding habits, which we used to flatter ourselves are our characteristic, and to which, no doubt, in God's good providence, we owe much of our past remarkable progress. I with pleasure quote a few lines more from a Scottish semi-official publication mentioned on p. 64 :—

After praising "the uncommon attention which the legislature has given . . . and the countenance and encouragement which every kind of industry has met with from our nobility and gentlemen of fortune," it proceeds, "The great spring, however, which has set the whole in motion, is that spirit, liberality, and application with which our nobility and landed gentlemen have of late engaged in every useful project. They are the chief adventurers in our fisheries, manufactures, and trading companies. Animated by their example, persons of every rank and profession have caught the same spirit."

Our nobles of the present day are, perhaps from modest fear of intrusion on a domain lying outside their province, in general much too abstinent from participation in movements popular and patriotic even in the sphere of political activity, and are consequently too easily led to devote their acknowledged ability and influence, their energies and expenditure, to objects which are less worthy. *Verbum sapientibus.*

JJ.

RETROGRESSION FROM FREE-TRADE ON THE CONTINENT.

[The following came into my hands after the whole was in type, and deserves careful consideration as being suggestive. I am responsible for the bracketed portions—R. A. M.]

From the Report on the International Congress of Commerce and Industry, held at Brussels in September 1880, by Frederick W. Fison, M.A., delegate,—a partner, I understand, of the Chief Secretary for Ireland :—

“The International Congress of Commerce and Industry was organised by the ‘Union Syndicale’ of Brussels, a body which in some measure corresponds to our ‘Associated Chambers of Commerce,’ but which possesses considerably more power as regards its official status. . . . M. Sainctelette, Minister of Public Works and Honorary President of the Congress, after speaking of the dangerous over-confidence and belief in its own unaided powers which a country was likely to indulge in after a long period of prosperity, added— . . . Our ideal of economy to-day is that *the world* should become one single market, regulated only by the natural law of supply and demand. . . . The report of M. Jules Duckerts, secretary of the Verviers Chamber of Commerce, adds— . . . ‘France, after being the first to adopt Free-Trade, swung to the opposite extreme, but has gradually returned and reduced her duties to something like 10 per cent., while at present she is negotiating treaties, the purport of which is at present unknown. . . . To sum up, we must acknowledge that the principles of Free-Trade have far from followed that road on which they seemed embarked soon after the first successes of Cobden. If some countries have in part imitated Switzerland and England, others, in revenge, such as Russia, the United States, and the Peninsula, have surrounded themselves with a barrier almost insurmountable; and as for the States of Central Europe, after remaining stationary for the last ten or fifteen years, their projects and actions show an unmistakable tendency to return to protective systems.’ . . . The following passage from the work of M. de Molinari—*La Revue des Nations*—is so striking [striking, say I, because it shows how wide the mere theorist is of the mark], that I venture to translate it. It is put into the mouth of a Swiss manufacturer [who, of course, knows that there are stronger forces at work than this economist mentions, which cause and enable the protected countries, notably the United States and France, to go *ahead*. Protectionism that facilitates aggressive entrance into the market of the *world*, or say, of the United Kingdom, does *not* weaken in the manner supposed, and *has* the stimulating effect of the desiderated and perhaps over-credited competition.] . . . ‘Thanks to our not having the advantage, like our French competitors, of possessing a flock of

some thirty-six millions of consumers obliged to content themselves with our products such as they are, we are *forced* to rack our brains to make our goods suitable and pleasing to the habits and tastes of our purchasers. . . . We should not have given ourselves the trouble to manufacture all these articles with such horrible designs and names if we had possessed a protected market sufficiently large to enable us to dispense with seeking our consumers, and with lowering ourselves by striving to satisfy their tastes. Again, should we have founded houses of business almost at the other end of the world, in order to create outlets for our goods, if we had been able quietly to have turned our colonies to account by sheltering them from foreign competition? Competition has ever compelled us to advance forward, without permitting us to rest a single day, whilst our competitors are sleeping peacefully on the soft pillow of protection.' . . . The protective system has been sapped in Germany, Belgium, and France by reforms and treaties of commerce. . . . The more our competitors are protected, the more shall we gain by our freedom. . . . The Report then briefly touches on the question of an International Customs Union, on the lines of the *Zollverein* of 1835, for the States of Central Europe to include France, Belgium, Holland, Denmark, Germany, Austria, and Switzerland. . . . 'The union of these seven countries would comprise one hundred and thirty millions of inhabitants, and, within its limits, would possess entire freedom of trade. . . . In the face of all this, we may well ask ourselves, what has actually been done in the past few years, or what hope have we in the immediate future? . . . Pride, luxury, and gambling ought to afford a multiplicity of bases for taxation; taxation purely voluntary, as one can only incur it by yielding to them.' . . . Cheap production is the main factor which tells for the Verviers spinner. The hours of labour are 130 per week, the workmen being divided into two shifts, one of which works from 6 A.M. to 7 P.M., with the following intervals: 8 A.M., half-an-hour; noon, one hour; 4 P.M., quarter of an hour—or day shift, $11\frac{1}{2}$ hours' work, $1\frac{1}{2}$ hours' rest. The other shift works from 7 P.M. to 6 A.M., with a quarter of an hour's rest at midnight—or night shift, $10\frac{1}{2}$ hours' work, $\frac{1}{2}$ hour's rest, making a total in the 24 hours of 22 hours' work and 2 hours' rest. The only interval in the week is from 4 A.M. on Sunday to 6 A.M. on Monday, and we are informed that the holidays were theoretically four days a year, on the great festivals (such as Christmas day, etc.), *but if these days happen to fall on a Sunday, no equivalent is given.* In practice the total holidays never exceed six or seven days each year. As to wages: one woman received 8s. 9d. a week, as against 15s. which would have been paid in Scotland for the same work with shorter hours. [I cannot adopt the conclusion of many politicians at home, who contend that the rate of wages which *de facto* exists in our country, must not enter into our reckoning when we consider what equality and fair play demand. See extract from David Hume on the back of the title-page.]

TRADE OF 1880.

Messrs. J. L. Bowes and Brother, of Liverpool, favour me with their Circular, that contains the following, founded on the Official Figures for 1880:—

“Taking the value of the total exports, it appears that there was an increase during 1880 of £29,961,612 over 1878. Of this increase £13,714,776 was due to the expansion of our trade with the United States, but the development of our business in that direction has not been of the character most favourable to this country, for it has consisted chiefly of raw and semi-raw materials, such as alkali, metals, wool, etc., and not of fabrics and other manufactures, which give profitable employment to our machinery and our people. A great change in the relations between the two countries has occurred since 1871. The enormous development of manufacturing industries in the States since that date has, in a marked degree, changed the current of the demand from manufactured to unmanufactured goods. In 1871 the shipments to the States comprised 63 per cent. of manufactures, and 37 per cent. of raw and semi-raw materials. The proportions last year were 45 and 55 per cent. respectively. The figures relating to wool and its manufactures call for little comment, but we may point to the decrease, since 1871, of the export of yarns and worsted stuffs as an explanation of the depressed condition of English wool, and of that part of the Bradford trade which is identified with it. . . . Attention may be drawn to the marked increase in the import of manufactures of wool from abroad; the value last year was £7,747,444, against £4,668,474 in 1871; in 1869 it was only £2,598,936. This matter becomes even more striking when it is seen that the value of all the yarn and manufactures of this staple trade exported during last year was only £20,614,395, whilst the import was £9,461,211. In 1871 the figures were £27,184,704 and £5,769,649 respectively.”

NOTICE.

19th Jan. 1881.

NOTE ON MR. ANDERSON'S PATENT BILL

I am sorry that the Member for Glasgow has again brought forward what I hope he will pardon me for characterising as his very objectionable Patent Bill. It contains clauses, one of them quite unjust to individuals, and both of them extremely injurious to the public, for indiscriminately elongating patents—those presently in force as well as future ones—for TWENTY-ONE years. This is done in face of what is practically the unanimous decision of the Royal Commission presided over by the Earl of Derby, who condemned terms longer than FOURTEEN years. Again, this Bill ignores the COMPULSORY LICENSE recommendation of the House of Commons' Select Committee, presided over by Mr. Bernhard Samuelson. As to the lowering of fees, which the Bill proposes, anybody who considers the figures exhibited in the subjoined extracts may well say, "A good system first, please,"—a system, if possible, like that of an eminent statesman shown on p. 186 of this brochure, or like that I myself sketched in Vol. II. of COPYRIGHT AND PATENTS, which will be issued soon. Perhaps there never was a question on which such bold assumptions and grasping of monopoly, such attempts to invade public rights and interests, were ventured as those allowed currency and gaining credulous acceptance, of (so-called) inventors.

Extracts from letters in *The Engineer* of 7th January 1881 :—

"What our statesmen, as a rule, do not understand, but what American statesmen are alive to, is, it seems to me (1) that the material prosperity and progress of the nation hangs on a *good* patent law and practice; (2) that the more patents there are in force the better for the nation—*vice versa*, the more 'orphan' patents we have, the worse we are off, for a patent come to an untimely death it is *nobody's* interest to push, and hence no one man nor the whole nation reaps any benefit therefrom; (3) that the greatest facility should be offered to the poorest to make it *worth* his while to improve existing processes and apparatus, and to invent better ones; (4) that public morality and the true interests of the nation demand that there should be a rigid but fair examination as to the *novelty* of inventions sought to be patented; (5) that the inventor should not be taxed because he spends his time and money in the *public interest*."

Observe, 1. The people of the United States being shielded by protection, can bear patent restraints that would be galling and hurtful here.

2. There is good reason to doubt whether even their patents are, on the whole, beneficial. Some time ago in the Western

States there was, and perhaps there is still, a dislike of and strong resistance to them.

3. A *good* patent law is certainly desirable, *i.e.* an equitable one, in which the claims and liberties and welfare of *manufacturers and the public* predominate, or have fair play.

4. It is impossible to say, "The more *monopolies* and *restraints* which are in operation the better." The rewarding of inventors should have some relation and proportion to the merit and the value of their services to the nation.

5. Nobody's interest to push. If confined to such cases, who would object?

6. "*Worth while*" to invent. Fair enough, but the inventors' agents are combined in activity to obtain a vast deal more than this.

7. As to novelty, the letter-writer is right.

8. If the public interest were really sought and promoted, there would be little complaint.

"I cannot prove that 'money is being made out of more than 10 per cent. of the 200,000 patents now in force in the United States,' any more than 'Patentee' can prove the contrary; but if his implied statement that as many as 10 per cent. of the said patents—that is, as many as 20,000—are now making money, can be taken as a fact, he has furnished a very powerful argument for the assimilation of our patent stamp duties to those of the United States, as nothing like that number of British patents are now making money, for there are not 16,000 in force. . . . The mere possession of an American patent would not benefit the English mechanic without opportunity of pushing its introduction into use, but when he has gone to the States and obtained a patent, he is in a position safely to make as public as possible his invention, and to negotiate with any manufacturers and capitalists that he pleases, whereas a three years' patent here is not long enough sufficiently to protect and benefit the inventor. . . . As an example of the latent invention of the workmen of this country, which latent invention is practically kept down by our present stamp duties, the result of the present system now in force in the shipbuilding yard of Messrs. Denny, at Dumbarton, may be pointed to. This scheme has been in force for less than four months, and the highest award that can be granted is £16, and yet they have already received twelve claims, of which only two have been rejected, seven have been found valid, and two are now pending; on the seven valid claims £16 have been received. Considering the novelty of this scheme, and the very short time it has been in operation, this result must be considered as a very good one. Were all large establishments to adopt this system, the number of beneficial labour-saving inventions that would be made in a year would doubtless be consider-

able. . . . Surely it will be readily admitted by all that the country is dependent upon invention for advancement in prosperity and wealth, and that a reduction of our exceptionally high patent stamp duties would greatly stimulate invention, and is therefore to be sincerely desired."

On this I remark :—

9. Even 16,000 barriers or taxes are far, far too many, unless a better system is established.

10. Practically the working-man, who is not so much concerned as parties who use his name pretend, has what is here contended for. He can renew.

11. Messrs. Denny show an admirable example. But should not the State do this very thing? Restore some of our abolished customs' duties, and we could as a nation enjoy at little cost a grand development of invention.

Mr. Anderson's Bill judiciously (but with inadequate remuneration if first-class men are to be employed on the stipendiary system) points to the deplorable want (in spite of the legislative provision made thirty years ago—so much for the Board of Trade's defective constitution !) of a *Board of Patent Commissioners*. The defect of Mr. Anderson's proposition is that it, so far from insuring that the persons to be appointed to that office will work for the public interests (which by no means run on the same line as those of patentees), rather paves the way for the evil system's bonds and burdens being tightened and made heavier, inasmuch as influences in favour of private interests are always prosecuted with more energy than those of the public, in absence of the obviously lacking appliances for protecting the latter in our modern system of managing such matters, important though they are. There ought to be a preliminary *Commission*, that can take a sound view of what is wanted, set to make inquiries and prepare a Bill. Such a Commission, presided over by the Lord Chancellor, or the Earl of Derby, or Lord Sherbrooke, or Lord Cardwell, would be hailed with joy, and could render inestimable service. The subject of patents has been neglected too long, and all the more remarkable it is that it should be left to a private member not in accord with either the Commission or the Committee referred to above, after needful reform has figured as an intended subject of legislation in one or more Queen's speeches. Is such neglect creditable to our mode of conducting public business, or in itself right?

The following, printed in New York, 1877, is far too full of individualism and cosmopolitanism to find acceptance except among the unwary. It is Utopian, and ignores national interests and exigencies :—

THE AMERICAN FREE-TRADE LEAGUE

Holds that every *man* should have the right to exchange the products of his labour, wherever he can obtain the most for it.

That he should be free to seek *his own* welfare in his own way, so long as he does not infringe the rights of others.

That so far as he is deprived of these rights, he is in slavery.

It recognises the importance and dignity of labour, because labour is the source of prosperity. It holds, therefore, that to tax the *necessities* of the *labourer*, with a view to benefit the manufacturing *capitalist*, is to strike a blow at the foundation of the country's prosperity.

It holds that every country has its peculiar natural advantages, and that to produce what can be most easily produced in it, and to exchange such products for what is more easily produced elsewhere, is the most profitable exertion of its industry.

That, the true means of encouraging home industry and of lessening poverty, is to remove *every* obstacle to the *free* exchange of the products of labour.

It holds that "*The Protective System*," so called, is only ignorant national selfishness, which defeats its own ends.

That *it* is contrary to the wise and beneficent laws of Providence.

That *it* diverts capital and labour from the most efficient occupations to others proved less efficient by their need of artificial support.

That *it* is an odious form of *class* legislation.

That *it* is a fertile source of social, sectional, and international discord.

That *it* encourages commercial dishonesty and official corruption.

It holds that Free-Trade with *all* the world will conduce to *our* highest welfare, and is pre-eminently worthy of the American people, who should be foremost in breaking down *every* social and commercial barrier.

The American Free-Trade League submits to taxation and duties to meet the necessities of Government, but denounces as robbery and tyranny all taxation for the benefit of special *classes*.

The League urges all who agree with these principles, to unite with it in obtaining emancipation for industry and commerce.

[The italics in the above, as elsewhere, are mine. Some of them indicate points in which I coincide. Note that the depreciated "*capitalist*" and "*class*," if rightly viewed, are merely essential parts of a great social mechanism which the nation and people require and recognise, and collectively profit by. "*The protective system*" is, of course, by no means *our* equitable system of neutralising wrongs which can be counteracted in no other way.]

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E R R A T A.

Mr. Macfie observes, with much regret, the omission of M.P. after the name of the Hon. Evelyn Ashley in page 1.

On page 45, line 8, for "Treaty, a paper," read "Treaty. A paper."

" v, " 9, *dele* "that differs from that."

" " " 11, for "latter" read "States."

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